August 2, 1949

The Reporter

A fortnightly of facts and ideas

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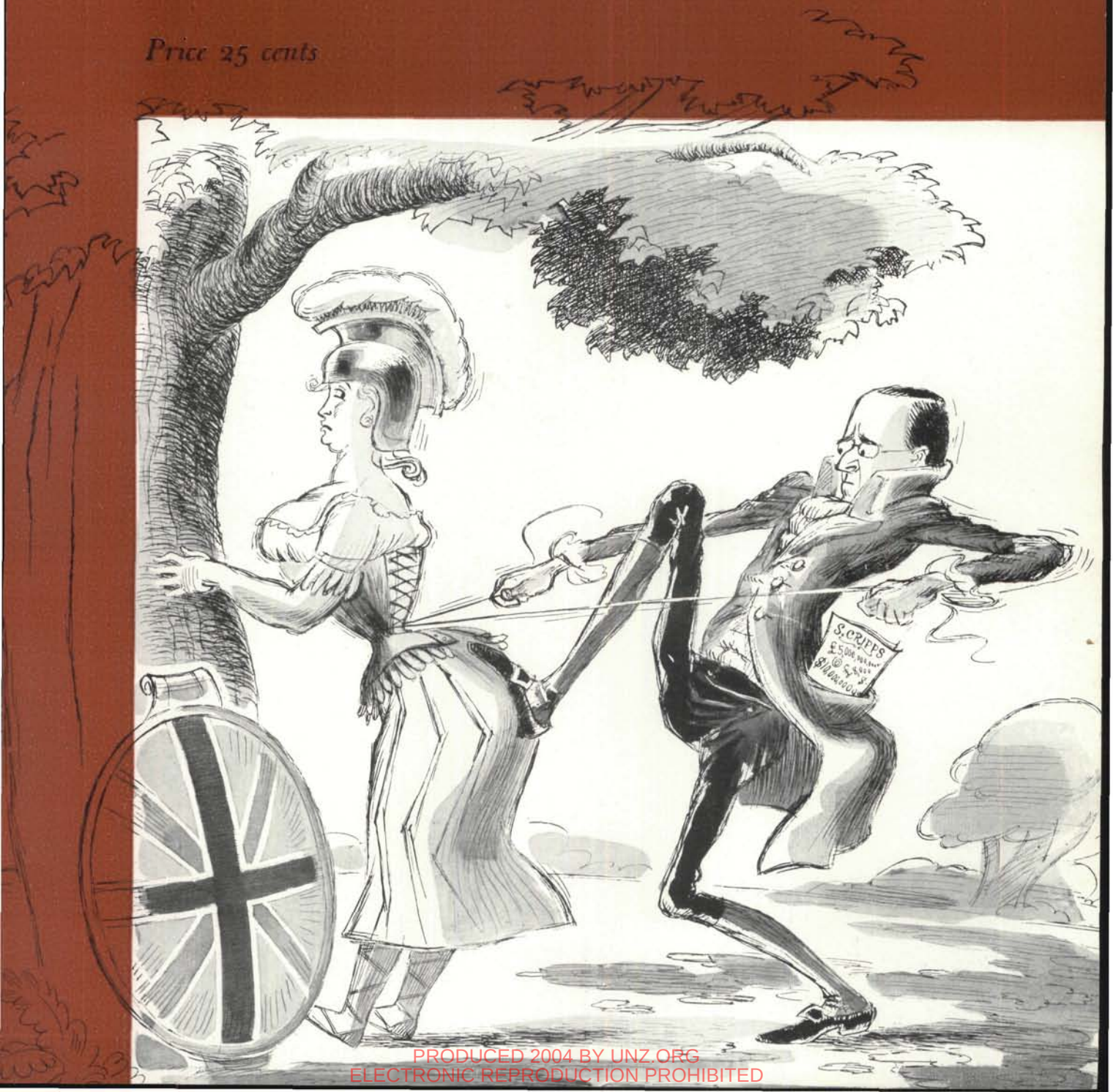

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Editorial

We and the British

"The sound internal economic system of a nation is a greater factor in its well-being than the price of its currency in changing terms of the currencies of other nations." These words do not come from Sir Stafford Cripps; they were in the message that President Roosevelt sent to the London Economic Conference on July 3, 1933. The President continued: "Let me be frank in saying that the United States seeks the kind of dollar which a generation hence will have the same purchasing and debt-paying power as the dollar value we hope to attain in the near future."

President Roosevelt was then launching his New-Deal-for-one-country experiment. Eight years later President Roosevelt proclaimed freedom from want "everywhere in the world" as one of the four freedoms that were the goals of America's policy. During these sixteen years from July 3, 1933, to our day, the dollar—far from establishing its proud isolation as the ever-normal measure of America's independence of the world—has come to represent the world's inescapable dependence on America.

Perhaps the reason why it is so difficult to grapple with the problems of American economic power and of the world's needs is exactly here—in the fact that in a comparatively few years the position of America has changed at a pace that our minds can scarcely follow. Perhaps there is something equivalent to supersonic speed in the rush of certain historical events. Things may move at a pace faster than thought, and the relationship among men and among institutions may change radically before we have a chance to recognize new conditions.

At this time, on our side of the Atlantic as well as in England, there is a deafening clatter of conflicting opinions and exhortations and indictments. There is anger in England, and alarm—that alarm the British know when danger is so close that it does not occur to them to be frightened. Britons say tall things about us: that no one can rely on us; that we are not mature enough to bear the weight and responsibility of our power. Above all, there is pride in England: "Nobody owes us a living." "We can make it; we made it before." In high emotion, "make" and "take" become interchangeable. The fact that the British could take it at the time of the Blitz gives them convincing evidence that they can make it now, that they can live within their means, no matter how hard they have to toil and how many notches they have to tighten their belts. It is amazing to see how the soberest and the most unrhetorical among the leading Englishmen summon the memory of Dunkerque to arouse in their people the will power that can overcome the new threat—as if the crisis in the rate of exchange and of exports, no matter how tragic, could ever create the equivalent of the cohesive strength brought on by an ever-present enemy.

On our side, there are harsh and even angry statements. "The time had to come. The British have been living beyond their means too long," people say—and not only men in the street. "Their pound, their economy, must fall to the level they can afford." This is, from the strict-economy viewpoint, a reasonable statement—but it is contradicted by a fact more real and compelling than any result of economic computation and reasoning. The fact is that we cannot afford to let the British economy fall to the level *it* can afford.

Theoretically, we can go back to the position Roosevelt took when he scuttled the London Economic Conference in 1933; we can tie our destiny to a free-wheeling dollar that spurns comparison with other media of ex-

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change. Theoretically, we can make the dollar the ruble of capitalism—a fat medium of exchange which is not meant to be exchanged. Theoretically, with the help of new synthetic industries and a few colonial arrangements, we can become self-sufficient. All this is according to theory or, to use a more appropriate word, to fantasy. For there are two equally fantastic extremes that we have to recognize as such if we want to find between them the hard reality on which to work: First, we cannot let Britain and the western group of countries that we have come to call the "Marshall Plan nations" fall to the economic level that they can afford. We cannot for a moment forget that this fall would not be in a vacuum but in the economic world where our wealth is the most powerful factor. Second, we cannot assume the obligation of endowing permanently the nations of the West and of guaranteeing them a decent standard of living.

This is not one of those "contradictions" that the Marxist gleefully discovers in our social order and that reconciles him to waiting a while for the moment of our irreparable doom. These two impossibilities give an indication of what is possible, and indeed of what is being done—even if sometimes we don't seem able to recognize it. Among the western nations, a new pattern of interdependence is being worked out which is guaranteed and checked by the responsible independence of the single nations or of the economic groups that they can form. We do not owe Britain or the nations of the western world a living, and at the same time we are not safe in any sense, political, military, and economic, unless the system of the western nations is so reset as to become viable. To achieve this goal, an enormous amount of work has to be done—and it has to be multilateral work if multilateral trade is ever to be reestablished. It is a work of technological retooling, of learned or relearned industrial efficiency, of political engineering in devising and running the institutions that guarantee both interdependence and independence. Some of these institutions are already in existence, but so far have not been adequately used. It is quite proper, for instance, that the problems of British or European devaluation be taken up next September by the International Monetary Fund. But what is even more important is to realize the creative character of the crisis we are in. No nation is big enough or small enough to allow other nations to go hang. No nation is rich enough or powerful enough to shoulder the responsibilities of the world—at least, no nation that goes our way and wants to maintain internal freedom. The nations of the eastern bloc that follow the other way will learn and ultimately benefit from us.

It is quite difficult to realize to what a new and unprecedented degree the political and economic structures of the western countries have become interwoven. At present the United States is active in the internal politics of Britain, assuming some of the functions that the Conservative Party is in

no condition to perform. The Conservative leaders cannot protest the bilateral deal with Argentina, for they cannot be against meat. But America can warn the British government when the tendency to go Schachtian becomes too pronounced. In times of continuous emergency, too many policies tend to become bipartisan, even in the countries that so far have kept the standards of the two-party system. It is therefore not surprising if to some extent America plays the role of His Majesty's Opposition.

On our side, we can deplore the stiffness that both Socialist control and the "Welfare State" have imposed on the British economy. Yet we cannot be blind to the importance of the experiment that is going on in Britain—this gigantic attempt on the part of a fundamentally middle-class nation to provide all its people with the fulfilment of the two most typical middle-class aspirations: personal security and civil liberties. In a way, Britain is our left, a substitute for that left which over here seems destined to be either bloodless or lunatic—and almost invariably marginal.

It is good that we have to deal with this proud and stubborn people, the British, in this great trial for the salvation of the West. They are determined to contribute their full share; they don't want to be considered as veterans of Dunkerque and of the Blitz who, having fought alone for us, are now clamoring for a new bonus. We on our part have every possible right to stick to our point, to defend the standard of multilateral trade, to oppose with all means at our disposal the attempt to create or recreate so-called self-sufficient economic blocs. There is one such bloc in the East and it gives us enough of a hard time. Whether we know it or not, we are instinctively opposed to any blend of nationalism and of socialism anywhere in the world. Instinctively we know it always works against us.

The present crisis marks the growth of a new international order. The instruments of independence and interdependence have to be made to work or to be shaped anew if our kind of national and international discipline is to be established. Too many among us are inclined to dismiss the present as hopeless or sordid, and hitch all their hopes to some point in the dim future, defined by the arbitrariness of their goodwill or of their fears. For the time being, the constitution-drafters, the more-perfect-union advocates, can profitably take a holiday. The task which is immediately at hand is far more urgent. The interdependence and the reciprocal independence of the United States and of Great Britain, of the dollar and the pound, are the test.

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The U. K.: A Middle Power?

While Washington follows several policies toward Britain simultaneously, the British people might find their own solution to the economic crisis

Is the United Kingdom still a great power or has it been reduced to a middle power? The question is being forced every day on high Administration officials attempting to cope with the economic and financial crisis in western Europe.

Supposing that the United Kingdom is still a great power, can it maintain this position without support from the United States? American officials cannot, of course, commit themselves publicly to the view that the U. K. might presently become, or is already, a middle power. They are even chary of privately voicing this view. But it is a fact that the question is under study and discussion by policy-making officials and their advisers. Their conclusions are neither unanimous nor compatible.

Any consideration of Britain's present and future status must start with an analysis of the bases for greatness under modern conditions. These include population and character; financial power; strategic position; raw materials available on metropolitan territory or in areas under direct control or within a country's financial orbit; ability to prevent a blockade of sea traffic bringing in strategic materials; industrial apparatus and technics; political influence, connections, and experience.

In the past generation Great Britain has been subjected to a serious reduction of dependent and semidependent territories, with their populations and raw materials. Britain's financial, industrial, and military strength has decreased—the latter to a point where it has not enough men or materials immediately available to rate as a first-class military and naval power.

Britain retains, however, a vast colonial domain of about two million square miles and some seventy million inhabitants. It contains most of the raw materials required for modern warfare as we know it.

The attention which the British are now lavishing on these colonial territories indicates that the Labour Government understands their importance. But American officials feel that, even if African development proceeds rapidly, the United Kingdom cannot maintain the position of a great power unless the population of the island itself is maintained, its economy strengthened, and its trading area widened.

The recent report of the Royal Commission on Population has shown that if economic conditions in the United Kingdom are such as to perpetuate a recent slight increase in the birth rate, the population might be expected to drop only slightly over the next hundred years and then level off at about forty-five million. However, if economic conditions get worse, the birth rate might drop to about four-fifths of what it is today. If that kept up, Britain would, at the end of one hundred years, have a rapidly-dwindling population of twenty or twenty-five million.

What are the interests of the United States and the western world: to permit Britain's decline or to retard and possibly prevent it?

Military men lay down this primary rule of strategy: The British Empire is our first line of defense. Therefore, anything that builds up the military potential of the Empire is of direct value to us in the United States.

But the military men have to reckon with the traditional American hostility toward Britain that is in evidence among many members of Congress. Some American planners worry about the fact that every movement within the British Empire or Commonwealth toward a weakening of ties with Great Britain finds sympathetic support with the American public. Irish revolts have been financed in this country, the Indian autonomy movement was supported here, and last year the "Responsible Government Group" in the Newfoundland plebiscite received private funds from persons in the United States.

The conflicting impulses of Americans toward Great Britain are illustrated in the problems in which the ECA finds itself entangled. The original concept was to provide a solid bulwark against Soviet expansion. In order to do this the ECA was to build up the political and industrial stability of western Europe and to ensure that Great Britain was firmly committed to the defense of western Europe and reasonably capable of carrying out its commitments.

This was essential because no American military man puts much confidence in the ability or willingness under present conditions of France, Italy, the Netherlands, or Denmark to oppose a Russian attack by armed force. American military men consider that, however much politicians dislike the idea, Britain is the only nation we can rely on to carry out its military commitments and to last through an initial period of disaster.

Therefore, they say, Britain must be supported in its traditional place as a great power by the United States. But military strength must be based on

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economic power, which, it is recognized, can probably only be built up quickly by encroaching on American export preserves, and by restoring sterling to its old position as an international medium of exchange.

The dollar is the strongest national currency in the world, but it is not an international medium of exchange since few nations outside the United States are adequately supplied with the dollars they need.

To repair this condition, the United States would have either to lower tariffs to permit a much larger volume of competitive imports or to invest heavily abroad almost to the extent of subsidies. Both these courses present so many political difficulties as to make some people think that the way of least resistance should be followed and sterling should be reestablished as an international medium of exchange. However, the price for the reenthronement of sterling is that it has to be devalued.

Treasury heads suggest that this is American policy. This is their motive, they say, in pointing out the need for readjustment of European exchange rates, as Secretary of the Treasury Snyder did before the Federal Reserve Bank Conference in Minneapolis on April 23. This followed by only two days ECA Administrator Paul G. Hoffman's remarks to the American Society of Newspaper Editors, when he said: "This is the year fiscal stability must be achieved in most of these countries."

Devaluation would cut British imports, ECA officials consider. And since raw materials could not be cut indefinitely because exports would then suffer, the cut would come chiefly in food. In other words, U. S. leaders regard reduction of the British standard of living as inescapable.

The solution of a reduced standard of living for Britain is unacceptable to a British Government faced with an election some time before July, 1950. It has had to find something else. The situation came to a head in the Anglo-Argentine trade agreement, which appeared to be a barter arrangement but in fact was an extension of the sterling area to Argentina. To defend itself, to avoid a reduction of the standard of living, Britain may try to extend the sterling area in still other directions.

In fact, the British government is trying to consider several alternative policies, even if some of them are thought out just in case. Faced with the uncertainties of American policy, the British leaders know that it is in the interest of America to give Britain some measure of support, but at the same time while they are waiting for a clarification of American policy, they cannot afford to take chances with the welfare of their people—or with their electoral prospects.

As the possibility of a recession becomes greater in the U. S., the contrast between the strategic need of building up Britain as a great power and an invaluable ally against Communism, and the bogey of Britain as a monopolistic trade rival becomes intensified.

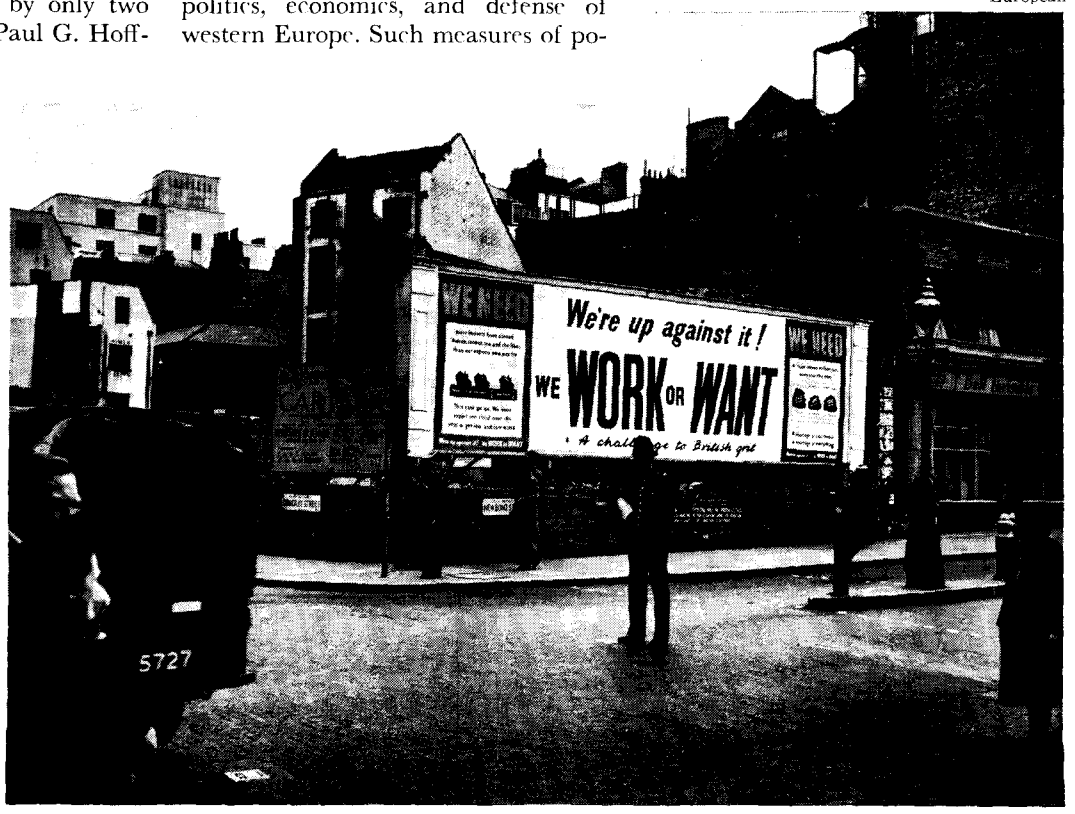
The conflict of ideas has been sharpened by the desire of the U. K. not to become too deeply implicated in the politics, economics, and defense of western Europe. Such measures of political agreement as have been reached were accepted only under American prodding. Military arrangements so far completed have gone through with the explicit understanding that U. S. military aid and equipment would be available.

It now appears doubtful whether military-aid legislation will be passed by Congress this session. The longer it is delayed the poorer are its chances of passage. State Department officials regret this. They feel that failure to pass the legislation would heighten the reluctance of the U. K. to become entangled militarily in Europe.

They see the dilemma in these terms: Is America willing to do without wholehearted participation by the U. K. in the western European alliance, thereby virtually nullifying it; or by insisting that Britain actively lead and further European economic and military unity, will not the U. S. be committing itself to aid on a scale and of a duration which will be politically impossible?

In the first case, doesn't the U. K. risk losing out as a great power through a decrease in U. S. economic aid? In the second case, wouldn't the U. K. become so dependent on America that the British Empire would be at

European



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the mercy of American Congressional whims.

Under the stress of all the qualms about American policy, and while the uncertainties tend to become more and more uncertain, it becomes conceivable that one of the internal policies that the British government might contemplate would be that of assuming the role of the leader of the middle powers rather than to remain in the harassed position of a propped-up great power. Switzerland and Sweden have shown resistance both to pressure and blandishments from the two rival paramount powers. They have maintained their independence.

The tradition of the Little Englanders is perhaps far from dead in Great Britain—particularly now that the "Welfare State" can drive home to the British people a realization that they cannot play power politics. To play politics may mean to jeopardize the standard of living of every individual Briton.

In a recent address at McMaster University, Dr. H. L. Keenleyside, Canadian Deputy Minister of Mines and Resources, said: "Under the leadership of the U. S. and the Soviet Union the nations of the world are again denying the truth—though without altering the fact—that humanity is inextricably united in one world. This heresy has been revived at the very time that science has placed in our hands an unexampled power of destruction."

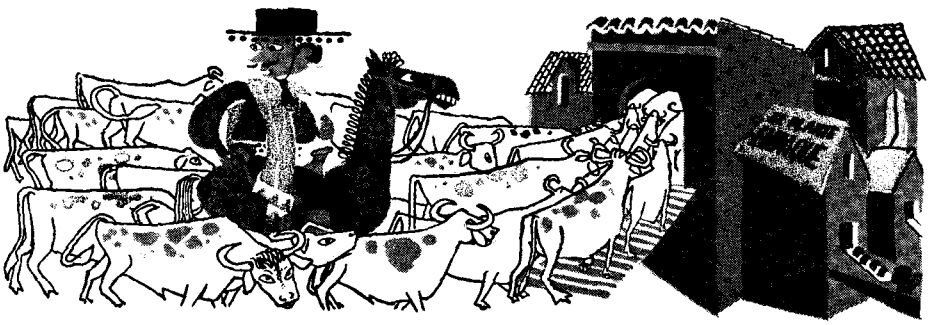
This is taken in diplomatic circles to indicate that one at least of the important middle powers would welcome new leadership. Middle-power diplomats point out that the world is, after all, made up predominantly of middle and small powers, and that they cannot permit two or three giants to bring chaos again. Is a revolt of the middle powers shaping up against nations that appear incapable of making the concessions that every middle power considers essential to peace?

The question intrigues many diplomats in Washington. They think it by no means impossible that the middle and small powers might welcome as a leader a former great power with the experience and finesse to stand in the way of a possible Third World War—a war that incidentally the two major protagonists will fight on the middle powers' territory, not their own.

Can Britain Make It?

A British writer is convinced his country can, provided austerity, shared by all, lasts till 1952

When the war ended, and in the first flush of electoral victory, Labour Party authorities organized a big exposition entitled "Britain Can Make It." Most of the exhibits represented the work of the newly-appointed Council for Industrial Design, a semipublic body created to bring British designs up to date in the severely competitive post-war world. Then, the idea was to reassure Britishers and the few foreign buyers that Britain *could* make anything, and make it well.



Today, four years later, the question "Can Britain Make It?" is being posed throughout the world—as anxiously in Europe as in America—but with a quite different meaning. Today the question means: Can Britain achieve its own ambitiously-set targets? Can it make the grade which it has set for itself?

If it can, well and good for Europe, for the new and ambitious (and much looser) British Commonwealth, for the still-wider sterling trading area, and finally for the whole world of democratic nations. But if Britain cannot make the grade, the whole postwar concept of an increasingly reliable western half of the world, pivoted on Washington and internally buttressed by political and economic joists, will collapse like a pipe dream.

That is a hard saying. To justify its apparent pessimism let us look at the few fundamental facts about Great Britain's life. First, Britain has to buy from abroad—even today, with severe food rationing, one of the most mechanized agricultural systems in the world, and the most intensive high-cost agricultural self-sufficiency program—no less than forty-five per cent of its current consumption of foodstuffs, feeding stuffs, and tobacco. Second, Britain has to buy from abroad virtually all its oils, minerals, ores, textile fibers, rubber, nonferrous metals, lumber, pulp for paper, and a great many other materials.

Any British Government must always look first at Britain's colossal import bill. Without the foods and materials covered by that bill, Britishers could neither eat nor work. With more of those truly vital imports, Britishers' standards rise; with less of them, they fall. Consequently, British economists spend their time scrutinizing the "terms of trade"—how the level of prices for Britain's vital imports compares with the level of prices for British manufactured exports—to see whether a boatload of British manufactures is tending to buy more or less of the imported essentials of British life.

Today, compared with before the

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war, the rise in the world prices of foods and raw materials has been more rapid than the rise in the prices of manufactured goods; moreover Britain lost, or sold, many assets to prosecute the war. So, whereas in 1938-1939 Britain could roughly balance its foreign accounts, today it has to export half as much again in order to get back twenty per cent less imports.

There is another, equally disconcerting, aspect to Britain's economic life. Just as the terms of trade have gone wrong, the "Welfare State" has rendered all industrial costs in Britain more rigid than at any time within living memory. It may have given Britain social and industrial peace; but its cost is crushing.

Of course, the *domestic* economy of Britain has been utterly altered: slightly fewer men and more women in work; slightly shorter hours; all juveniles at school an extra year; a rapidly-aging working population; earnings in industry and agriculture that have, compared with prewar, risen more than those in the United States; a shortage of electricity, oil, and other sources of power for industry; about a sixty-per cent taxation of all trading profits; socialized basic services (road, rail, and canal transport, coal, electricity, gas, telecommunications and commercial aviation) which have raised their prices more than the average; governmental controls over allocations of all crucial imported raw materials; governmental controls over raw materials and over some domestic selling prices; and governmental listing of most machinery and plant as a top priority for export (so that re-equipment of British factories and industries can only go slowly).

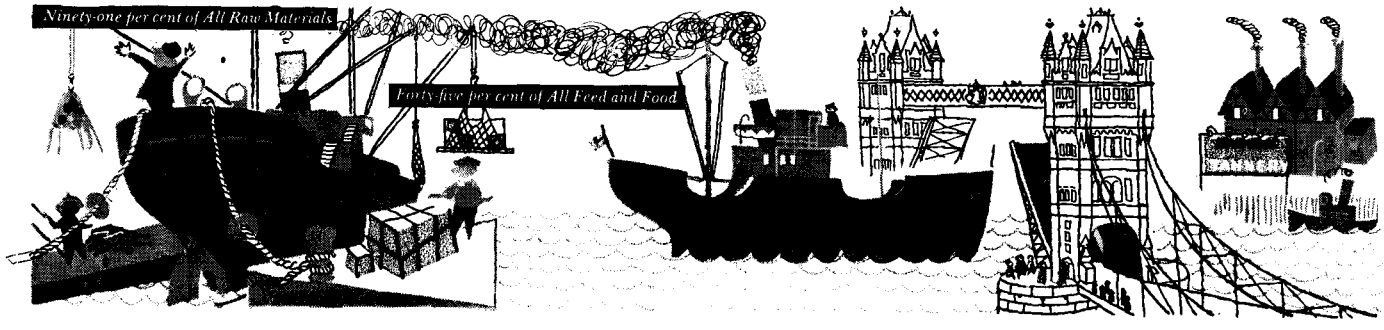
The net result, on the budget and national income, is that today the government takes unto itself in taxes forty per cent—two pounds out of five—of the entire national income. This it spends, channelling it back as interest on government bonds, pay to the armed forces, pensions, subsidies to publicly-built houses, education grants, family allowances, subsidies to keep the selling prices of all rationed foods down (ostensibly to "hold the wages line"), or pay for the greatly-swollen army of central and local government civil servants (now practically double its prewar number, and amounting to one out of every ten of the working population).

Against such a background of rigidities, the British achievement—in boosting exports to half as much again as they were in prewar days, in keeping imports down to four-fifths of prewar, and in making Britishers put up with an ascetic austerity as consumers—is remarkable. It is little short of miraculous when compared with the budgetary, fiscal, balance-of-payments, or import-control problems of other west-European nations.

The crux of Britain's problem remains, first, its low productivity per worker, compared with the United States, Canada, and other "advanced" industrialized countries; then its terrifyingly rigid costs, at a time when its situation demands quick adaptation to its foreign customers' needs, and to their varying purchasing power (as the world price level for *their* products drops); and, finally, its inability to standardize (*i.e.*, mass produce) its exports.

The premonitory shivers before an economic blast are already being felt in many lands. In Britain, both for domestic and foreign trade, the industries serving the demand for capital goods—equipment, machinery, civil engineering, textile machinery, electrical installations, and the like—seem well placed for the next three years. But question marks hang over shipbuilding, commercial and private automobiles, and all industries working for direct-consumption goods—textiles, furnishings, leather goods, clothing, and so on. The structure of employment in Britain indicates that, while employment may keep up in the durable-goods industries (except those like shipbuilding and automobiles)—owing to foreign and domestic demand for re-equipment—there will probably be unemployment in consumer-goods industries.

Unemployment this year (as in most years since war ended) has been running at the low level of about two per cent of the labor force. Lord Beveridge's expert advisers for *Full Employment in a Free Society* set the minimum practicable level (for adaptive and transitional purposes) at five per cent. A doubling of unemployment in Britain would still leave it at only four per cent. There is, therefore, room for some slack in the economy, and such slack always raises the productivity of labor. The London *Economist* has been called heartless, ruthless, and many another epithet applied to the *laissez-faire* days of a century ago, for daring to say as much, however.



The answer to "Can Britain Make It?" depends more on political and social than on purely economic factors.

To take the purely economic first: Britain has (by barter agreements, preferences, and other devices) already balanced its current accounts with Europe, Asia, Africa, Australasia, and Latin America. But, as long as it needs the quantities it still takes of Canadian and American foods, ores, oil, cotton, tobacco, and productive equipment (after drastic cuts), its real problem is to achieve a second balance of current accounts—namely, that elusive "dollar balance." Britain must cover the

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"dollar gap." That gap was slashed by over fifty per cent during 1948, and as this year opened Britain was exporting goods to America at the rate of some twenty-five million dollars a month. The rate has fallen during the first half of 1949 by about one half, and simultaneously the dollar (or world) prices of many primary commodities which the sterling area exports to the U. S. have rapidly slumped. In the past six months, the terrifying drain on Britain's barrel-bottom reserves of gold and dollars has again set in, after sterling's recovery from the trough of distrust during the summer of 1947.

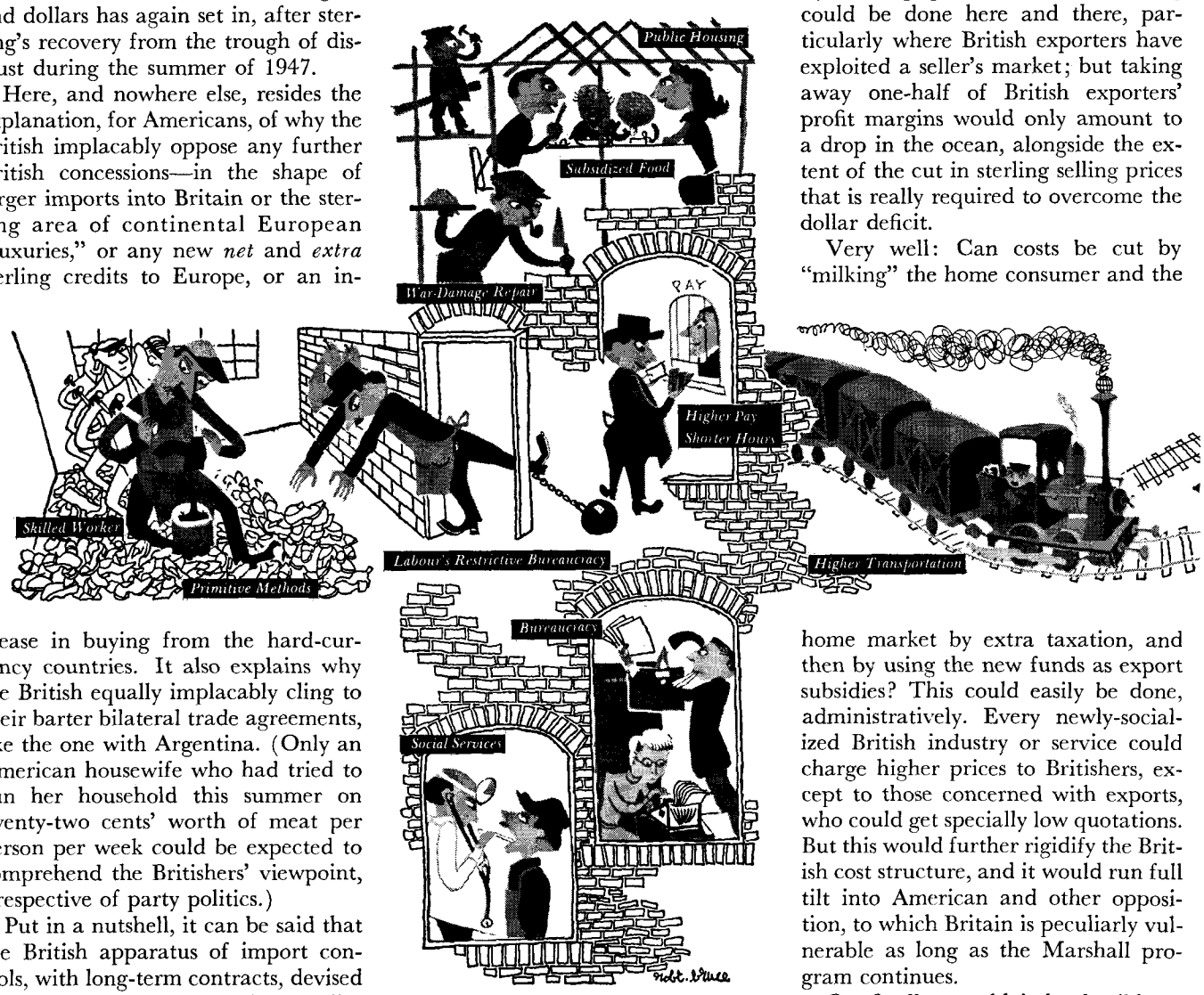
Here, and nowhere else, resides the explanation, for Americans, of why the British implacably oppose any further British concessions—in the shape of larger imports into Britain or the sterling area of continental European "luxuries," or any new *net* and *extra* sterling credits to Europe, or an increase in buying from the hard-currency countries. It also explains why the British equally implacably cling to their barter bilateral trade agreements, like the one with Argentina. (Only an American housewife who had tried to run her household this summer on twenty-two cents' worth of meat per person per week could be expected to comprehend the Britishers' viewpoint, irrespective of party politics.)

Put in a nutshell, it can be said that the British apparatus of import controls, with long-term contracts, devised in wartime to restrain Britain from living beyond its means, is almost making it die beyond them. There is hardly any alternative to reducing the *volume* imported. The long-term contracts, which got Britain cheaper imports when world and dollar prices were soaring, now bid fair to wreck the British economy by adding their weight to the burden of high costs affecting Britain's exports. From whichever angle one approaches this problem—and it is significant that no reputable British economists differ on this, whatever their political differences—the solution is evident, even if the way to it seems obscure: British costs of production have got to come down fast. Even if sterling devaluation occurs, that remains as a prime requisite.

This is where the awkward transition has to be made from the purely economic analysis to social and political problems. *How* are costs to come down? By cuts in wage rates? By cutting out "feather-bedding?" The unions, which finance Labour, oppose these things root and branch. A slump only increases their opposition. By cutting that incubus of taxation, forty per cent of the entire national income, which weighs down British industry as the Old Man of the Sea weighed down Sinbad? If so, it means cutting the real income of one-half to two-thirds of the British people, who receive most of the social benefits financed by taxation. By lengthening hours of work for the same wages? If so, it is highly dubious that productivity would rise; in factories the average hours worked in Britain are still above those worked in the United States, and productivity rose in Britain when the hours were cut. By cutting profit rates? Something could be done here and there, particularly where British exporters have exploited a seller's market; but taking away one-half of British exporters' profit margins would only amount to a drop in the ocean, alongside the extent of the cut in sterling selling prices that is really required to overcome the dollar deficit.

Very well: Can costs be cut by "milking" the home consumer and the home market by extra taxation, and then by using the new funds as export subsidies? This could easily be done, administratively. Every newly-socialized British industry or service could charge higher prices to Britishers, except to those concerned with exports, who could get specially low quotations. But this would further rigidify the British cost structure, and it would run full tilt into American and other opposition, to which Britain is peculiarly vulnerable as long as the Marshall program continues.

Or, finally, would it be feasible to cut costs by drastically cleansing the British economic stable; clearing away the economic refuse of the wartime and postwar inflation; purging the central and local government services and the unions and the rigid British trade associations and employers' "rings," of the unnecessary "overheads" (in the shape of mere passengers) that they have carried too



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long; getting all British industry and administration, socialized or not, down to a proper efficiency standard? If so, unemployment would certainly rise; but a more efficiently *employed* industry would better be able to carry the real, visible, unconcealed unemployed, who have for so long lain concealed in factories, firms, and governmental boards or other agencies, nominally enjoying "full employment."

Not one of these elements in the solution can be openly recommended, espoused, and pursued by the Labour Government; for it must go to the voters within less than twelve months, and the bulk of the voters have, this time, to make the sacrifices. The recent Blackpool Conference of the Labour Party showed that the serried ranks of trade unionists, steamrollering all union members into one lobby with their overwhelming card-votes, will still fail to read the writing on the economic wall, while the wall itself is crumbling.

In any other era, the economic prospect before Britain in 1945, or in 1947 and again in 1949, would have led instantaneously to a closing of party ranks and the formation of a coalition as loyal and as effective as that which steered Britishers to victory, as a team, in the two World Wars. But Ramsay MacDonald's and Snowden's defection in the sterling crisis of 1931, when they "pulled a coalition" with the hated Tories on their own party without consultation, is everywhere in Labour's ranks today known as "doing a Ramsay" on Labour. The impartial observer must add that nowhere in the ranks of Toryism can the slightest evidence be discerned of what Conservatives would actually do if they were in power, or if they were in a coalition with Labour again.

It is not, therefore, surprising that, having conned all the foregoing aspects of Britain's problem, the present directors and controllers seem to have decided on two very important things. First, not to try to mask or palliate this economic crisis for the working people of Britain; not to stand-to, still less to beat against the storm, but to run before it. And secondly, to keep their own little boat in trim to take in sail, to bail like mad, and to let all others do likewise.

Few in Britain, in any position of responsibility, believe that the lean years are not coming. Few can gauge how the mass of British working people, the voters, will react. Perhaps only three tentative conclusions can be ventured. First, provided the further hardships are *fairly* shared, Britishers of all income brackets will stomach them peaceably. That, in Europe, is still the British peculiarity. Second, if they do that, the progress of a world-wide depression will probably work to the advantage of Britain's terms of trade. (It has never failed to do so.) And third, in that case, by 1952—whatever happens meanwhile, whether ERP continues or not, and whether Labour goes further left or Britishers move to the right—Britain's basic economic position should be healthier than it is now. Instead of a million or two unemployed alone taking the rap, as they did between the wars, the entire nation of producers and consumers will have done so between 1949 and 1952.

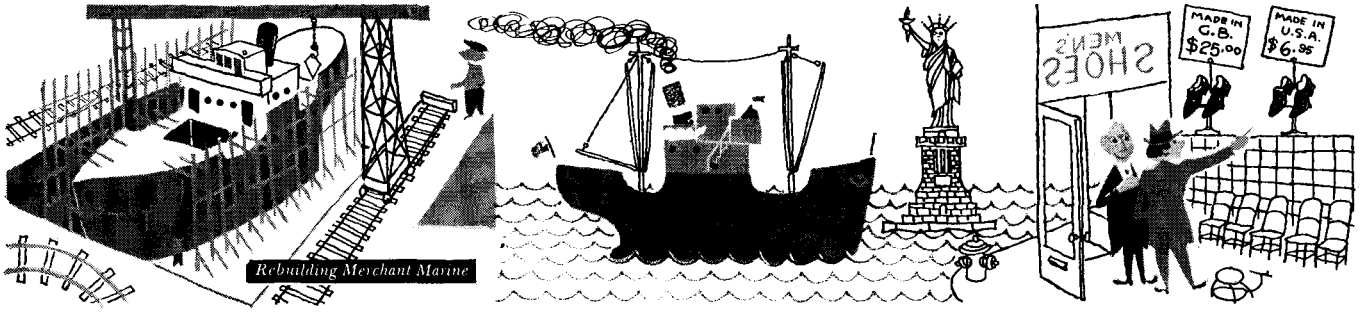
The time has come for a readjustment of the British economy, for its readaptation to the changing postwar world economy. It will be a painful readjustment for Britishers, since the necessity for it has been masked for four years, and since many of Britain's resources, which could meanwhile have been used for the readjustment process, have gone in strange forms of current consumption—new services, more leisure, odd diversions. But, despite this, the British economy today has not lost its surprising powers of adaptation. Not all of them are properly used, or even *allowed* to be used.

Those powers, working under hampering controls, have performed miracles in the past two years. Thus, at the center of their widespread sterling area with its immense resources, the British "authorities"—more often civil servants than Ministers—can count on attracting into cooperation with them more and more primary producing countries, more and more European neighbors, the *worse* the trade recession becomes. So by dint of sharp further austerity, for what may prove only an unhappier interlude, Britain can certainly make it by 1952.

Of course this is no real answer to the question at the head of this report; because "it" will then be quite unrecognizable to Americans as the "recovery" and "European cooperation" for which the ERP was devised. And, if Washington and London, State Department and Foreign Office, Congress and Parliament, fall out in the next few critical months—over ERP, European union, devaluation, convertibility, trade agreements, tariffs, or what have you, what Britain will "make" will drag most of the sterling countries, and most of western Europe, along with it, as in 1931.

All of this simply underlines the statement that in face of the storm signals before the ERP, Atlantic Pact, ITO Charter, European union, and many another pillar in the postwar structure of our half of the world—we should be wise to erect *more* buttresses between our western nations today, and not permit the storm to flatten us singly. In 1929-1939 that moral was never learned, or, if learned, never applied. In 1949 it had better be both.

—GRAHAM HUTTON



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English-Speaking Union

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The Case for Devaluation

The British must reduce export prices: Cripps has long-range solutions; U. S. officials are in favor of decreasing the value of the pound sterling

This summer there is an undercurrent of tension and disagreement in the economic relations of the United States and Britain. Secretary of the Treasury Snyder flew across the Atlantic a while ago to talk to Chancellor of the Exchequer Cripps. He came to offer the British certain friendly suggestions, which few people could know in detail but which were undoubtedly toughened by an implied "or else."

In Washington, there is an increasing tendency to regard devaluation of the pound as the best way to increase Britain's exports. But government officials, including Secretary Snyder, have been hesitant about coming right out and backing this position publicly. Cripps himself has denied that the ECA and the U. S. Treasury have been putting pressure on Britain to devalue. Public statements about devaluation by government agencies (and by the International Monetary Fund, which is generally supposed to reflect American thinking) have been conspicuously restrained—on the official record.

In Britain, there is no reticence or evasiveness at all about devaluation. The Labour Government is against it. Cripps has said so time and again. Of course, no government would ever admit that a devaluation was in the offing, but there is reason to believe that the British mean exactly what they say.

The reason why the question of devaluation has come up now is that there has been a substantial improvement in the European economic situation.

At the end of 1946, the International Monetary Fund accepted the existing rates of exchange of its member countries as the official rates. In some cases, among them that of the pound, the rate had been in effect since 1939.

Many of the foreign currencies were clearly rated too high with respect to the dollar, but it was apparent at the time, and indeed until quite recently, that the depreciation of foreign currencies relative to the dollar would have several positive disadvantages.

First, most countries in western Europe, including Britain, were suffering from severe internal inflationary pressures, and depreciation would have made these pressures even harder to resist by raising the prices of imports in local currency and provoking increased wage demands. Second, depreciation would have raised import prices and reduced export prices, and so would have increased the burden on these countries at a time when their national incomes were low. Third, there was little or no reason to presume that depreciation would have improved the dollar earnings of the countries concerned. Normally when a country depreciates its currency, its imports decrease, and its exports increase (both in terms of foreign currencies); imports become more expensive to the residents of the depreciating country and exports become cheaper to residents of non-depreciating countries. But in the years right after the war foreign countries needed to import so much from the United States that depreciation could scarcely have reduced the demand; besides, imports were in any case being kept at rock-bottom levels by direct government limitation. Similarly, depreciation of foreign currencies *vis-a-vis* the dollar could scarcely have increased exports to the United States because at the time the countries had very little to export. These countries were able to sell without difficulty, at the existing exchange rates, all that they could produce for export, because there was a sellers' market everywhere.

Since the second half of 1948, however, the world economic situation has undergone a quick change. First, production in Britain and Europe generally, except for Germany, has risen to well above prewar levels, so that now the volume of goods available for export has increased considerably. Second, the domestic inflationary pressures which Britain and the rest of western Europe were struggling against are now not nearly as powerful as they were. In a few cases, deflationary symptoms actually have appeared. Third, the world-wide sellers' market is now being replaced by a buyers' market. Consequently, increasing exports, especially to dollar markets, is now essentially a matter of marketing rather than of production.

Some months before the present British dollar crisis set in, there were signs that British goods were becoming too expensive to sell in volume on the American market. Americans have tended to stop buying British goods and to shift to cheaper domestic substitutes. Moreover, the decline in industrial activity in this country also reduced the dollar value of our imports of rubber, tin, cocoa, wool, and other primary products, a large part of which come from sterling-area countries. Rumors that the pound is about to be devalued made American importers hold back with the idea that they would be able to buy British goods for fewer dollars after the anticipated devaluation occurred.

More than anybody else, the British know how important it is to reduce the prices of the articles they export. The recession in the United States has made this necessity, which the British have recognized for a long time, plainer than ever. The way in which Cripps proposes

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to bring prices down, however, is not to devalue, but to increase British productivity while labor and capital voluntarily accept a ban on further increases in wages and profits. A few weeks ago, Cripps delivered a most emphatic statement of this point of view in the House of Commons. He, and other British economic authorities, have also stressed the need for a more aggressive marketing and sales policy on the part of British exporters seeking to crack the American market.

No one can object to these lines of action. The more vigorously they are pursued, the better. But, in Washington, there is a feeling that both will take a long time to bear fruit, that trying these two remedies, and no others, is not the way to solve Britain's pressing dollar difficulties in the immediate future. With reductions in ECA funds coming up over the next few years, Britain may not be able to afford slow-acting remedies. Exports, according to most American officials, have to be stepped up right now.

The American attitude seems to be that now is the time when the pound, and all sterling-area currencies, could be devalued to best advantage. This would have the immediate effect of reducing the dollar prices of sterling-area goods and so of stimulating export sales. The fall in the dollar *prices* of these goods would be more than offset by an increase in the volume of American purchases, so that gross dollar earnings of the sterling-area countries would go up. Unfortunately, however, it is not likely that devaluation would also cause a reduction in the dollar value of imports. On balance, then, the dollar deficit of the sterling area probably would be reduced by devaluation, except in the unlikely event that the recession in this country develops into a genuine depression. Such, at any rate, is the line of reasoning most commonly found in Washington.

There is no longer any reason to believe that the purpose of devaluation would be frustrated, as it would have been in the early postwar years because the European countries had so little to export. British production is now elastic enough to ensure that any increase in American demand could be matched by an increase in British supply.

If British exports were to get taken up in increasing quantities, there might be—at long last—a reduction in the stubborn dollar gap. Then the American taxpayer might indeed envision a substantial decrease in his underwriting of Britain's, and all Europe's, dollar deficits by 1952. This does not necessarily mean that all U. S. government aid to Europe would definitely cease by 1952. But it does mean that the Old World's dollar deficit might be reduced from its present abnormally high levels to a point at which the bulk of the deficit could be covered by private loans from this country and by aid from the International Monetary Fund and the International Bank.

The case for devaluation is strengthened when we consider that it may be the only real alternative to quantitative import restrictions and discrimination by the British and others against American goods. Unless Britain steps up its exports to the United States, it will have to reduce the dollar deficit by further import controls and discriminatory measures, such as the recent trade agreement with Argentina. Measures like these are clearly injurious to the United States. They run head-on into the American long-run foreign economic policy objectives of multilateral, non-discriminatory trade.

What is to be said regarding the British objections to devaluation? Perhaps the most common objection is that it would raise the sterling prices of imports from the United States (and other non-devaluing countries) and provoke fresh wage demands which would tend to raise internal prices even higher. But this need not happen if the government takes vigorous and courageous measures to hold the wage line, to tighten credit policies, and to resort to some subsidies. Such action would go far toward preventing price rises on a scale that would wipe out the advantages of devaluation. To be sure, all this may be politically difficult for a Labour Government; but it would be very difficult, too, for any American Administration to return to Congress year after year for more ECA money.

The British sometimes argue that if the pound is devalued American importers would insist on higher tariffs. If it is indeed true that the United States would be unwilling to absorb any substantial increase in imports, then the picture is certainly gloomy and *any* measure to effect such an increase would be doomed to failure. This argument would apply not only to devaluation, but also to reducing prices by raising productivity, invigorating sales policies, and any other way.

However, this attitude could very easily be overpessimistic. In spite of the recession in this country, the American economy is still experiencing an unusually high level of income and employment, and the present ratio of imports to national income is still well below the prewar ratio. This suggests that the American market might still be able to absorb substantial increases in imports. In any case, permitting more imports would be the American side of the bargain on devaluation.

The argument for devalution applies to almost all of the currencies of western Europe today. But on the continent there is not the same opposition that there is in Britain. Most European countries appear to be quite willing to devalue their currencies if the British devalue; in fact, they appear to be waiting for the British to do so. There will doubtless be no general devaluation of European exchange rates until the British devalue.

It is the opinion of many responsible American officials that a general devaluation is needed today if the West is to establish an integrated economic community. At present, the world is divided into a dollar area and a sterling-continental area, with costs at different levels, with prices moving independently, and with antagonistic trade policies; only the temporary tie of ECA assistance binds them together economically.

Of course, devaluation alone may not do the whole job, but it seems difficult to see how the step can be avoided, now or sometime in the near future.

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Who Runs Socialist Britain?

Wielding enormous political and economic power, the unions discover that on several issues they may be at odds with their own party

Unlike physical scientists, social scientists do not often get a chance to make, or even to watch, full-scale, calculated experiments—especially in the democracies. That is why what is happening in Britain today is so engrossing: The oldest industrial country in the world is deliberately trying out a full-employment régime guided by free trade unions with their party in control of the government. How does a country go about making such an experiment?

To begin with, the British have combined three ingredients—a deliberate government policy of full employment, pursued with all the tricks in the Keynesian bag; free trade unions with a good deal of general policy cohesion and a stubborn philosophy of getting the underdog his rights; and the exercise of power by a political party which practically belongs to the unions and their members.

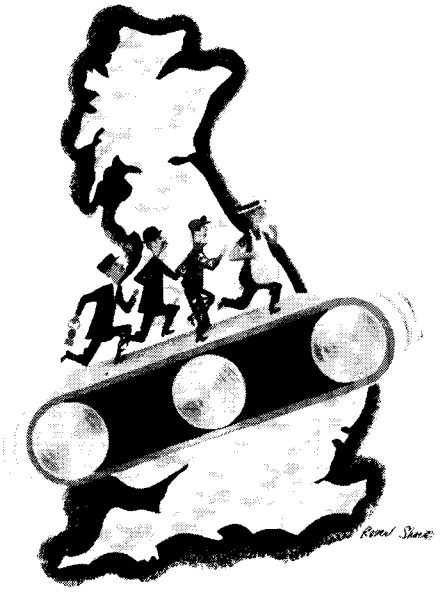
Probably no labor unions in history ever have thrived as the British unions are now thriving. They are politically unassailable, with no shadow of Taft-Hartley bothering them. Their membership is high; their coffers are swollen; their representatives are scattered throughout the government up to the highest positions; some of their officials sit in Parliament, and others are in line for high positions in the nationalized industries.

There is an altogether new atmosphere in collective bargaining. With the state insisting on full employment, the unions for the first time in their history can forget all about their traditional fear that they may price their services out of the market and suffer the consequences—loss of work for some members. Indeed, the employers no longer resist wage increases as fiercely as they used to: Full employment acts as a guarantee—to the non-nationalized industries—that prices will be high enough to make up for any increase in wage costs.

However, labor's situation in Britain has turned out to be not quite as cloudless as it first appeared. The first awkward discovery was that when employment became a natural right for everyone, it soon was taken for granted and ceased to be valued. Curious things began to happen when the unions set about modernizing the wage structure that had been carried over from the years of "underemployment equilibrium" between the First and Second World Wars. For example, in the "sheltered occupations"—jobs with the railroads or in retail distribution, for instance—wages had been low because employment was steady. Paradoxically enough, in other occupations—like coal mining and textile manufacture—wage rates tended to be low because there was heavy unemployment. When full employment was assured for all, the pressure of both types of workers for higher wages became very strong. The "sheltered" group asked for higher wages because security of employment—something for which they had paid in lower wages—was given as a gift to all. The other group asked for higher wages because their wage position had become anachronistic in the new era of full employment. At both ends, wages went upward.

The second disagreeable discovery was that, with industrial unions operating in almost every field, it is next to impossible to raise some wages without raising all wages. The British trade-union movement is guided by relative, not absolute, standards. A "fair" wage and a "fair" profit mean a wage and a profit which maintain a previous, accepted relation to the wages and profits of other groups. It is thus a matter of simple dignity for each union to keep on the track of wage increases. Like Alice in Wonderland, each has to run to keep in the same place. So it happened that the attempt to readjust any one part of the wage structure merely resulted in an upward movement of wages all along the line. That cancelled out the value of the original wage raises, and forced a repetition of the attempt—with a similar frustration. The result again was a cumulative upward movement covering almost all industries.

The third discovery was the harm being done to "workers' solidarity." In the bad old days of slump and boom it was possible to refer to the united interest of "the workers," since, roughly



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speaking, wages either moved upward or downward together. Sometimes one group benefited while others did not, but this was well enough concealed to ensure the essential unity of the trade-union movement. However, all this was brusquely changed, for trade unions discovered that the willingness of employers to grant wage increases (because they were assured prices high enough to give full employment in their plants) was really a polite way of refusing *real* wage increases—that is, more goods and services—to workers as a whole. The result was a mounting dissatisfaction among workers and an inflationary reduction of the real content of the benefits of social security and of the full-employment policy.

At this point, the trade unions saw three alternative policies they might follow. First, they might themselves undertake the job of the internal allocation of wage increases. This would involve, unfortunately, a great strengthening of the authority of the central organ of the unions, the Trades Union Congress. More than that, this policy would be of the utmost danger to the labor movement as a whole. It is not difficult to see rivalries arising among different unions. The British trade-union movement was too steeped in the traditions of sturdy independence for the individual union, of control from below, and of working-class solidarity to attempt the allocation-from-within course.

Second, the unions might concentrate on "reason" and "moderation." The true meaning of this advice, given mainly by economists like Beveridge, was that the great majority of unions at any particular time should refrain from asking for higher wages even when they could easily get them. Clearly, this policy, too, would have been suicidal, for control of the unions would have been won by new and more aggressive groups within each union in which a disgruntled membership demanded a more vigorous wage-increase program.

The final policy—the one adopted—was to set aside the too-elastic money standard and steer straight at getting more goods and services for workers in general. There would be no more pushing merely for higher money wages, no setting of union against union. All unions now attempt to get a larger share of the total national income for the working class. The position of wage earners in an era of full employment can be improved, they finally decided, only by modifications in the structure of production and in the allocation of resources into different types of production, by their shaping of foreign trade and investment policy, and by internal redistribution of income through such things as taxation, subsidies, and social services.

This, then, is what the British laboring man learned from his country's noble experiment: His union must give up trying to obtain sectional money-wage increases and start trying to obtain such broad changes in the real structure of production (through monetary, fiscal, foreign-trade, and industrial policies) as are beneficial to workers throughout the entire United Kingdom.

With this new revelation, the trade unions are now moving onto the commanding heights of British economic policy. For example, the framing of monetary policy is already slipping in important respects from the Treasury to the unions. What determines the level of prices in Britain today? It now largely depends upon the prevailing wage rate demanded by trade unions from unresisting employers. Rediscount policy, interest rates, open-market operations, tax rates—all figure far less than the unions' decisions on the wage rate. After all, the state cannot now persuade employers to resist wage increases by threatening not to supply the required money, since this would mean permitting unemployment, which it won't do. It would seem that by decreeing stabilized employment at all times and in all circumstances the state has yielded—perhaps inadvertently, yet automatically—its traditional power of monetary control.

Naturally, the trade unions are not prepared to tolerate unemployment just so the state can win back its monetary scepter. Their solution is to suggest to the state ways and means by which the high wages can be paid without increasing the requisite amount of money—namely, by squeezing profit margins, controlling monopolies, improving retail distribution, and reorganizing industry generally. The trade unions have been very active in pressing for such methods, which really are, from their point of view, devices to combine monetary control by the trade unions with the state objective of monetary stability.

The trade unions now also have the final say on national investment policy. Their determination to increase real wages cannot be accomplished if too much of the national product goes into investment. So the trade unions have formed a rather bizarre alliance with those liberal economists and orthodox financiers who favor holding back on

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investment. Moreover, trade unions do not want merely to keep total investment down, but to devote more of it to the nationalized industries and the social-welfare fields, such as housing and the health services.

There is, however, one elementary concern which the state cannot escape, or allow to slip away to the unions. That is the guardianship of the external balance of payment—a crucial matter in present-day Britain. Here is the sticking point beyond which government cannot yield without abandoning its clear duty. It is the chief historical function of Sir Stafford Cripps to symbolize this sticking point. Just as the trade unions have invaded the general field of economic policy in the character of guardians of the wage earner, so Sir Stafford is bound also to enter as the guardian of the external balance of payments. Cripps, the trade unions, and the potential alliance or clash between them—there is the dominant fact of British economic policy.

The tension between the two has become more clearly visible. Cripps wants British prices lowered in order to increase exports without devaluation of currency. The unions, with their newly-acquired "real" approach, agree. A fall in prices, with wages constant, is better for them than an increase in money wages, with prices high. But although Cripps and the trade unions both come out for lower prices, theirs is a superficial alliance that cloaks a deep dissension.

If the trade unions have their way, the fall in prices will mean increased domestic incomes, hence increased domestic consumption and fewer products available for export. Cripps, however, wants lower prices in order to sell more abroad, and this means lower domestic consumption—the direct opposite of what the trade unions want. The real divergence will not come into the open until prices actually have been lowered. Then it is bound to appear.

Cripps versus the trade unions, the external balance of payments versus the wage earners—can this conflict be resolved without putting back into the hands of the state the authority of varying the level of employment and the opportunities of policy-making that go with it? The next stage of the experiment will show. —H. W. SINGER

Austerity, Unltd.

Life is bearable, but not luxurious or much fun for the British Family Robinson of Birmingham

European

Leonard Robinson has quite a good job, by English standards, for a man thirty-two years old. He is works manager—what Americans call a plant superintendent — of George Morgan, Ltd., in Birmingham, a sizable plant that manufactures drop forgings. When he took a trip to the United States recently as part of a management-labor team to observe American production methods, he also had a chance to observe the living standards of American plant superintendents. They seem very wealthy men indeed to him.

Robinson, a short man with thin, sharply-angled features and the square, efficient hands of an engineer, lives on Valley Road, the Sheldon section of Birmingham, in a semi-detached house which he was fortunate enough to get through his father-in-law, a man of some substance before the war. There are only two kinds of house on Valley Road—first one type, then the other, alternately. The residents are civil servants, commercial travelers, and one or two people in business for themselves. When the Robinsons married three years ago, they acquired some furniture from Mrs. Robinson's people, and they used the ration points allotted to newly-wed couples to buy a bedroom suite of the Government Utility Furniture which was produced in standard design right after the war.

When Robinson gets up in the morning he has five suits to choose from. Three of them are old, worn suits which were originally good quality; because his work at the plant is often rather dirty, he wears one of these three during the week. Since rationing of clothing was relaxed, he has bought no new things. Like most Britons, he cannot afford them. Robinson takes some pride in the fact that he wears a clean shirt every day; he has twelve of them.

Robinson enjoys what he describes as a hearty breakfast every morning. It consists of cold cereal with milk (which is quite plentiful in the summer, although in winter the ration for two people is three pints a week), bacon several times a week (his wife doesn't care for bacon and gives him her ration) and liver the other mornings, and toast and marmalade (which are easy to get now, although the bread is heavy and dark). Occasionally he has fruit: apples are easy to get in the summer; oranges and grapefruit, while not rationed, are hard to find.

Robinson travels the ten miles to his plant in his 1936 Standard sedan. He is allowed enough petrol to travel ninety miles a month simply for pleasure, and he also gets petrol for his work.

George Morgan, Ltd., has not, of course, been nationalized, and Robinson sums up his duties there by saying, "I'm there to see that we make a profit." His efforts, so far, have met with creditable success. The plant produces parts for automobiles, bicycles, agricultural equipment, and other machinery. He is often required to work overtime in the evenings and on Saturday, but nothing like the sixty- or seventy-hour weeks he used to put in during the war.

He takes his lunch in the firm canteen. Having had a big breakfast, he eats only dessert and tea at noon. (Robinson is a rather lean man.)

He spends most of his lunch hour working a crossword puzzle with a colleague or looking over the six-page *Daily Telegraph,* which one of the

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workmen brings to him every morning.

Robinson is tired at the end of his day and goes directly home to a fairly heavy cooked meal with his wife. They have vegetables, and meat whenever they can. Since the meat ration is based on value, not on quantity, one cannot have very much good-quality meat. Fish and fowl are more plentiful.

In summer, Robinson likes to spend what time there is left before sunset out back working on his water garden. Since moving to Valley Road, he has constructed three pools for fish and water lilies. Like most English gardeners, Robinson has very little space and must plan neat, compact plots. The Robinsons are pleased that their back yard borders on Birmingham's Green Belt, where law forbids the construction of any buildings.

About once a month the Robinsons go to the cinema. They are not very keen on films, but they like to see a British picture, if there's a good one, or the best of the American movies. Occasionally the Robinsons see an opera at the Theatre Royal or a straight play at the Alexandra. They used to go out more often when they were first married, but walking nearly a mile in hopes of catching a bus without too much of a wait seems a terrible bother to them now, and using up precious petrol strikes them as foolish. The most enjoyable evening out for the Robinsons is to hear a concert at the Town Hall by the City of Birmingham Orchestra, one of England's finest, conducted by George Weldon.

Entertaining at home is difficult for a couple like the Robinsons. A few sandwiches are all they can offer any guests who happen to drop in.

If you've been a registered customer of a liquor store for many years, you can get a bottle of whiskey only once in several months; on the black market a bottle costs three pounds. The beer, which became increasingly watery as the war progressed, is still not much good. The Robinsons do manage to get a little rum and sherry now and then.

Fred Jones and his wife live at King's Heath, right on Robinson's way home from work; he often picks them up on his way and then drives them to the bus later in the evening.

The Joneses and the Robinsons get along well. Jones goes in for water gardening, too, and, besides, both couples are Conservatives. They pin their hopes for the future on a change in Government at the next election; they feel that the most important element of British foreign policy is getting on with the United States and that Winston Churchill is the man for that job. They feel that the social gains the Labour Government has effected are all good, but that the Government is simply proceeding at a faster rate than England can afford.

Robinson has been to the doctor twice since the National Health Service was enacted. He goes to the same man he has gone to for years, Dr. Haslam at Selly Oak, and pays the fee privately. As a private patient, he makes appointments and doesn't have to wait in a queue.

His wife must wait in line at the greengrocer's, at the fish market, at the sweets shop—now that sweets have gone off ration it is always a long queue —and stands in one to buy cigarettes for her husband whenever she sees one outside a tobacconist's. He likes to smoke a lot, but she is able to get him only about two packages of Players a week; otherwise he smokes a pipe.

Whenever they can, the Robinsons spend the weekend at a bungalow Mrs. Robinson's father owns on a river about thirty miles from Birmingham. The father-in-law is an electrical contractor and they make the trip in his van. They would never use the ration of white petrol that they get for their private car on such a trip, but red petrol for commercial vehicles is plentiful. Their Siamese cat, Sammy, is locked up in the back for the trip.

The Robinsons take a two-week vacation every year. They save up enough petrol to drive to the seashore in the car—last summer they went to Somerset—but once they get there they have to lay the car up and do their sightseeing on foot or on rented bicycles. For the two weeks of their vacation they try to leave off worrying about what they can afford; they like to put up in a smart hotel and live at a rate far in excess of their income for a few days.

European

The Robinsons have no children. "To educate a child in the way we would think proper costs a great deal," Robinson explains. "Unless a child were particularly brilliant, he wouldn't get very much individual attention in the schools which the government provides, and since we would not anticipate having particularly brilliant children, we would wish to send them to special schools. We couldn't afford it.

"Furthermore," says Robinson, smiling as if he were about to get off something amusing, "a chap ought to be a bit more optimistic about the future than I am to go in for having children."

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Laborites on the Defense

Clamor for further immediate nationalization was muted by thoughts of economic crisis and general election at the Blackpool Conference

There is nothing in America quite comparable to the annual British Labour Party Conference at Blackpool. Not only is it a curious mixture of political convention, jamboree, debating contest, and evangelical meeting. It is also an accounting by the Cabinet (speaking not only as Ministers but as party leaders) of their past records and their future hopes and fears. That is why the coastal city of Blackpool was, for a week in early June, the place in which to examine the immediate past and glimpse the immediate future of British Labour Party policy.

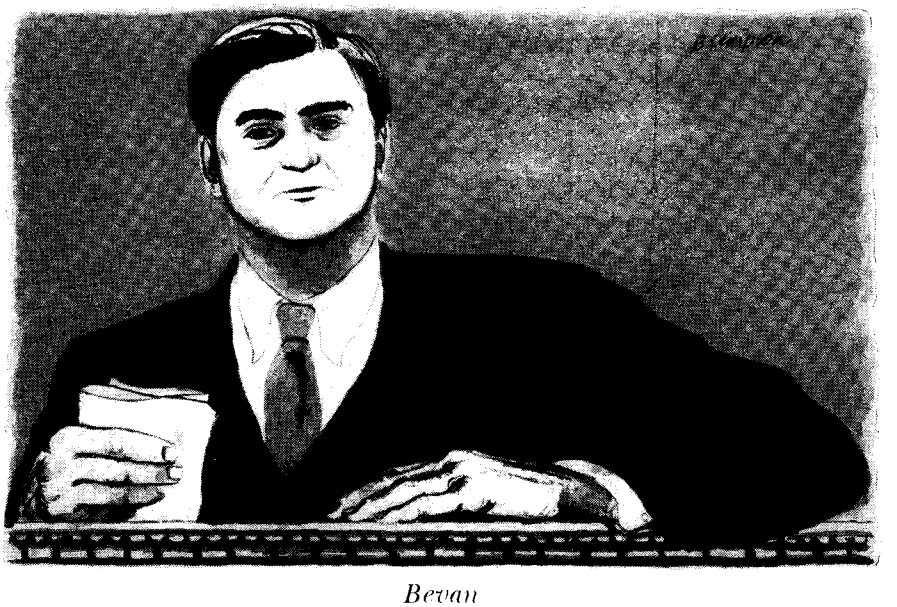
The strongest impression is that the party has decided to give the country a breathing spell. It used to be said that the Conservatives accepted Labour's foreign policy and rejected everything else. The whole sector of budgetary policy has been added to foreign policy, and now the area of agreement between the major parties is larger than that of disagreement. The Labour budget has been whittled by the keen edge of Britain's economic crisis. The shortage of dollars, the sudden dwindling of Britain's proportion of world trade, the dearth of capital equipment, the meagerness of resources and manpower, the shadow of an American depression—all have made both parties faithful to Sir Stafford Cripps.

Every Labour Party Conference, someone has said, provides a wailing wall at which the younger men inveigh against the immobility of the leaders and the slowness of socialization. This year there was, perhaps, a larger number than usual of these wailers and inveighers, which led the Conservatives to hope for a showdown fight. They were disappointed. The youngsters went through their routine, but they, and everybody else, knew that they stood no chance of moving the movers and shakers. Aneurin Bevan, the stocky Welsh miner turned intellectual and Minister, gave them an out by saying that the old abstractions of the Labour movement had been "married to contemporary reality," and that compromise had to be the issue of the marriage. Even more brilliantly he argued that in a deficit economy the main problem for socialists was one of making the right moral choices in assigning priorities.

Even on the moral choices Cripps had the last word. If he had to make a choice, he said, between using surplus business profits as a source of new taxes or as a form of reinvestment, he would choose the latter, since it would lead to higher production. In that conclusion, more than in Aneurin Bevan's, one gets the new mood of the Labour Party.

To accept what Bevan calls "the language of priorities" means to move away from the religion of nationalization. The nationalization program up to now, in the four years of Labour power, has been a rapid one for a social-democratic, or Fabian, party—more extensive than any non-Communist government has ever undertaken in a similar period. *Labour Believes in Britain,* the election blueprint pamphlet circulated at the conference for criticism, expresses pride in that record. But now Labour is ready to mark time.

In place of nationalization the new Labour theory is based upon a mixed economy. It was Aneurin Bevan, the acknowledged leader of the left-wing group in the Cabinet, who was picked by the executive committee to defend the new economic line. Bevan did his usual accomplished job of walloping the Tories. But he was under a disad-



Bevan

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Cripps *Attlee*

vantage in having to be *fortiter in modo* but *suaviter in re*. The iron glove concealed a velvet hand. Bevan justified the retreat by suggesting that it would lead ultimately to an advance. What he actually sketched sounded more like the American New Deal than like Marxism, but since no one else had talked to the Labour delegates with such boldness and assurance, he was received with wild acclaim.

The idea of a mixed economy is one that comes out of American progressivism. The idea of a new antimonopoly commission is also borrowed from the American experience. And the idea of putting the government into competition with private enterprise in wayward industries is nothing more or less than Roosevelt's "yardstick" principle as he applied it in the early TVA.

Where the change in thinking shows itself most sharply is in the government's attitude toward labor itself. Britain, unlike the continent, has only a minuscule Communist movement. The railway strikes were not politically inspired but came straight out of the tradition of craft unionism. The government had been plagued by strikes before, but now it found itself compelled by the mounting wrath of the middle class to grasp the nettle of labor attitudes. Again Aneurin Bevan was picked to do the job, and he did it in two speeches—one on the eve of the conference, one in the middle.

The workers, he said, still had the same fears and values they had had in a capitalist acquisitive society. They had never given the capitalists their full productive power, since they were afraid to work themselves out of their jobs. They still retained that attitude toward their own Labour Government as employer. He said that since the effort of British socialism to "build up the complicated furniture of civilization on the basis of individual liberty," but also through social means, depended on production, labor was destroying itself. It would have to substitute a discipline of its own for "the discipline of oppression." "We must tell some of our people in industry," he said, "that they are beginning to lose faith, that some of them appear to have achieved material prosperity in excess of their moral stature . . . they are in danger of throwing away, by a few months of dissipating anarchy, what they have spent a lifetime to build up."

I quote this because it could easily mark a turning-point in the history of British labor. If there is something Cromwellian about the sentences I have quoted, and if there is a similar streak in the stubbornness of "Austerity" Cripps, it is because British socialism is living in an iron age. It is beginning to face some of the Medusa-heads from which it has flinched in the past. It takes courage of a high order for a Labour Government in peacetime to call on workingmen to give up some of their inherited attitudes.

The great achievement of British Labour is to have found a workable partnership of the two elements that make up progressive movements—the trade unions and the intellectuals. In Britain the solution has been to give the trade unions a bloc membership in the Labour Party, while the delegates from the constituent local and divisional Labour Parties vote in proportion to their individual membership. This means that the constituent local parties largely furnish the intellectual leadership, while the trade unions dominate the party. The trade unions vote *en bloc* at conferences. The men they choose are solid and pragmatic, and tend to be a bit unimaginative. The divisional parties have tended to choose non-Communist left-wingers for the executive. The two highest votes this year were for Aneurin Bevan and Michael Foot, and the place of Harold Laski, who retired this year, was taken by Tom Driberg: All three are men with whom the trade unionists find themselves uneasy. In short, this is a labor-liberal coalition in which labor's primacy is undisputed, although it delegates many of the administrative posts to non-labor people. This gives a massiveness, stability, and realism to the movement which is worth the study of Americans wrestling with the problem of labor-liberal coalition.

There is no lack of brains in the Labour Party or the Labour Government. These are not a group of mediocre bureaucrats but an assemblage of some of the best talents in the western world. As I watched them sitting in a row at the platform table at Blackpool, I tried to think of a comparable group in France or Italy or America, but, of course, I couldn't.

There was Clement Attlee—a tense, precise, shy man, doodling on scratch-pads interminably, with sunk head and downcast eyes; a man who in 1945 would have been thought unable to guide a Labour Government through crisis after crisis for four years and keep the allegiance of more brilliant men than himself. Yet no one can deny that Attlee has risen to the stature of his office.

There was Herbert Morrison, whose offhand cockney manner conceals one of the best political tactical brains in the West. Morrison is the party boss with a finger on every political pulse, but he is far more than that—a finished Parliamentary leader, a great administrator, a brilliant inveigher against

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Churchill and the other Conservatives.

There were Cripps and Ernest Bevin, neither of them members of the party executive, but both showing up to give their accounting to the party. Cripps, high-minded and ascetic, respected by radicals and conservatives, spins the wizardry of his financial arguments with a logic more chilling even than his personality. Bevin, at once massive-looking and sick, has an air of disappointment and failure even when he is among his own trade unionists.

There was Hugh Dalton, once slated for the office Bevin holds, once in the office Cripps holds, heartbroken about losing both, his booming voice hurling itself against the gates of the Paradise he hopes to regain, his bald head glistening while his eyes remain lusterless even when he is smiling. His friends say that he is the best developer of the younger administrative talent in Britain; his enemies say that he has every talent needed for governing in a socialist country except a sense of conviction.

Finally, of the greater luminaries in the constellation, there was Aneurin Bevan, who is more than Minister of Health. He is the Labour Party's most powerful intellect, most savage polemicist, most brilliant orator, and—some would add—most dangerous demagogue; a Welsh miner who left school at thirteen but who has picked up an astonishing literary style and an astounding grasp of political and economic exposition; stocky, vigorous, lusty, but also not without a trace of the opportunist—even the feline—in the jungle of political talents. Bevan is the scourge of the Tories, a lethal opponent who can impale a man or illuminate a whole social situation with an inevitable phrase. His future, more than that of any other figure in British Labour, seems touched with destiny.

Bevin

Dalton *Morrison*

There they were—the Cabinet of All the Talents. The whole history of Labour, ever since Keir Hardie and the earliest Fabians, has been building up to this generation of Labour-in-power. These men, whatever their rivalries and differences, are deeply conscious that they are no longer the Opposition, but the Government. They form a working team in a working-class movement. With their genius for tradition the British have built a ritual around their Labour Party Conferences, which combine fierce speeches from the floor with delightful group dancing in the best bourgeois manner, and which end with the singing both of *The Red Flag* and *Auld Lang Syne*.

Labour's political future will be settled by the general election to be held either this fall or next spring, depending on the Cabinet's calculation of when the economic situation will be less intolerable. If the British crisis deepens out of its own elements, Labour might be sunk, for the Conservatives have a new assurance, a large political war-chest, and a sense that the tide is moving their way. But if it deepens because of the current deepening of the American economic crisis, which is very much in the minds of the British leaders, one may expect British Labour to go to the country with a plea for a new five-year mandate for a contained socialism within Britain's own boundaries, on the ground that no capitalist economy can be trusted to maintain its prosperity, whether American or British. In either event Labour will not have an easy time of it.

The whole conference was held in the shadow of the coming election. That was the meaning of the new internal discipline of the Labour Party (including the expulsion of Konni Zilliacus for persistent attacks on the Government's foreign policy); it was the meaning of the smooth working of the party machine and the ease with which it steamrollered the resolutions of criticism; it was the reason for Morrison's plaintive request for "a class-analysis and, even more, a psychoanalysis" of why a substantial section of the British working class votes Conservative; it was, at least in part, the reason why the party has decided to hold off on nationalization.

If Labour should win again despite the adverse signs in the recent local elections and straw polls, there would be a realignment of talents in the Cabinet, perhaps including the exit of ailing Ernest Bevin from the Foreign Ministry. It is unlikely that Attlee himself would leave, although there are others panting for his job. It is generally understood that if he should, the next Prime Minister would be Herbert Morrison. If the elections were close and the crisis deep, there might be another coalition Government, in which case Stafford Cripps—accepted by both parties—would be a logical choice for Prime Minister. As for Aneurin Bevan, he is generally talked of as "the next Prime Minister but one."

—MAX LERNER

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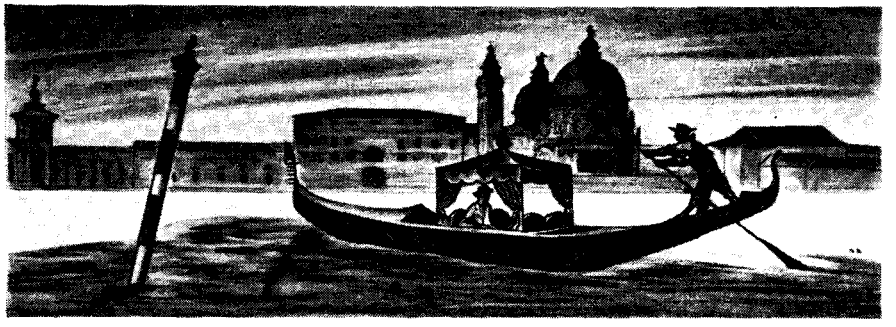
To Man's Measure . . .



In a Gondola

There is a right and a wrong way to anything. You were supposed to know the barman in the Grand Hotel in Venice so that when you went out to where the waters of the Grand Canal lapped against the stone steps of the hotel landing, there would be a gondola waiting for you with the moonlight and everything arranged, and in the gondola an ice bucket with a bottle of champagne. It would be wrong to try to carry the ice bucket yourself, or to row the gondola. You did what you could to follow form; you gave your directions in a low voice to the gondolier and he took you where he wanted; you leaned back and sipped the wine, listening to Neapolitan songs from the concert float with the lanterns, drifting by the *Punta della Dogana* (English: Customhouse); you turned your head away in shame when noisy compatriots passed in another gondola talking, laughing, and singing American songs. Dear gondola, you said, dear gondolier, they don't know what they're doing.

But, no matter how hard you tried, it was all wrong because hiring a gondola was like hiring a Cadillac with a chauffeur from an agency: you knew it was not yours; everyone else knew it was not yours; the gondolier did not wear the colors of your noble house (728 East 24 was dirty brick); even in Venice you did not live in the house Wagner had lived in, or Byron, or Cole Porter. So you broke down, you gave a drink to the gondolier, who did not like champagne, and now the bottle was empty anyway, and so you went back to the bar in the Grand Hotel to have a beer with the fellow from the Chicago *Tribune,* Paris edition, who would know the baseball scores.

Between the two wars, this was the way the tourists were engaged in immigration in reverse. Every shipload of Americans landing in Europe felt superior by a week to the next shipload. The British felt the same way about their countrymen even though it was harder to keep track of precedence when the channel boats crossed half a dozen times a day. It was between the two wars, but the British and the Americans drifting in their gondolas did not know they were living in a period, or what it would be called.

In the dawn the waters of the Grand Canal in Venice were like the waters of the East River in New York, the Seine in Paris, the Thames in London, the Yangtze in Shanghai: the dawn made them the same. Every morning Venice wakened, as did those cities and all cities, to assume once more its anxieties and labors. Tourists did not count.

Owing to the existence of National Socialism in Germany, the German tourists were of a special nature: in a way *they* did count. Wearing hobnailed boots and knee breeches, and carrying rucksacks, the *Wandervogel* and the Hitler *Jugend* observed the British and the Americans with pity for their decadence. These people, they reported, will never fight.

A Note on Courage

When you do not have something like a Battle of Hastings going on, with Harold Godwinson facing the Conqueror, or a Gettysburg, or a First World War, with the young cadets of Saint Cyr wearing their white gloves to the front, or a Second World War with the moments of courage so close that the world was lighted by them as by summer lightning, courage no longer is visible all over the place. It is a mistake, however, to suppose that it disappears or is not always available. Courage is like an umbrella: you bring it out when you have to.

That is why the use of the standard of courage to distinguish a certain number of individuals from the general run of humanity—or certain nations from others—could well be left for a good long time to the sportswriters, who enjoy chattering about courage, are happy to find a prizefighter who is brave, and appear surprised when they do. But the rest of us, after two wars in half a century, are persuaded that an immense majority of men, women, and children of all nations have proved that the sense of courage is as general in mankind as the sense of hearing, or of smell, or of hunger.

Between the wars the Germans doubted this truth; their miscalculation subsequently ruined them. We doubted it ourselves, and that is why Hemingway chased madly after bulls and lions, and looked at death as if no one had ever had to look at it before.

While we still thought courage a rare and unusual thing we looked everywhere for it, and, finding it, we would pin it up like a prize butterfly and admire its shiny quality. Then the war came and pinned up specimens

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in such uncountable and cruel numbers that now the collection is too large, the catalogue of gallantry too tedious to read. Courage is as constant as day or night. If that is so, if courage is like the wind and the rain, and if things still go badly in the world, then we must depend no longer on courage to provide the answer to peace and war. "Onward, Christian Soldiers." Very well. But "Onward, Agnostic Soldiers," obviously, and "Onward, Blind Soldiers of the Purposeless," also. Courage will never fail these variegated armies or the people they kill.

The Amethyst

The fourteen-thousand-ton British sloop *Amethyst* was engaged in taking supplies up the Yangtze River in China to the British in Nanking. On April 20, it was fired upon by Communist shore batteries and ran aground. The captain of the vessel was wounded and later died. Some of the wounded crew made their way overland to safety. The rest remained at their posts; a new captain took command. The vessel, although severely damaged, is reported to be "habitable" and able to proceed under its own power. The Communists so far have refused to grant it the necessary safe-conduct pass.

In the war this would have been an incident reported in a communiqué, after a normal delay for security reasons, and, naturally, soon forgotten. But Britain is not at war with the Communist Chinese Armies, and still the *Amethyst* is forgotten. Nothing is written about her. Nor do we propose to write about those men, faithful to their ship, who remain isolated, uncertain, and helpless. The first stories of the attack on the *Amethyst* and the unsuccessful attempts by other units of the British Navy to run the gauntlet to save her were dramatic enough; they were on the front pages of the papers; there were questions in the House of Commons; then silence. What now in our times is disaster to a single ship, a small ship, very far away?

In 1937, the Japanese sank the *Panay* in the same Yangtze near Nanking. The *Panay*, too, is forgotten. What can you expect when there has been a war? And, after a war, what can you expect? That people whose minds are deadened with disaster and glory will be interested mainly in Mr. Shapiro of the Judith Coplon case, and the hotel room in Philadelphia.

Heart of Darkness

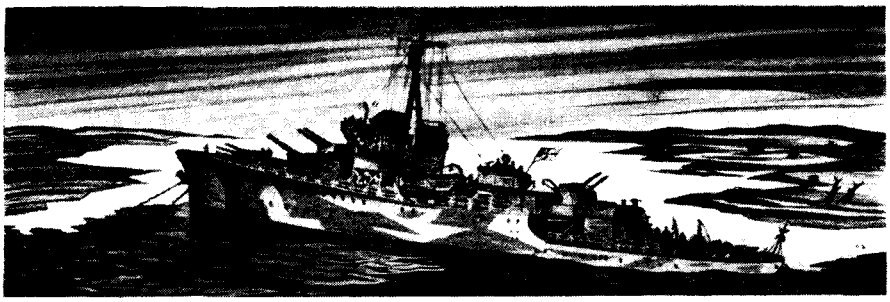
There is no Nationalist army anywhere near Shanghai in sufficient force to make the slightest effort to recapture that city from the Chinese Communists. Recently the Nationalists sent heavy bombers—they were four-engined American Liberators—in a daylight raid over Shanghai. We quote from a dispatch from Walter Sullivan of the New York *Times*: "Bombs beat down meager homes of thatch and clay into heaps of straw and mud that became sodden in the heavy rain. Hundreds of families clustered and wailed over the dead and dying. For hours afterwards ambulances shuttled back and forth through the crowded streets. They met peasants with blood still trickling from head and body wounds, stumbling along the streets, blocks from the bomb hits.

"One ambulance stopped and took a load of wounded being rolled along in a market cart. One group of refugees was carrying a little girl with her legs smashed . . . Children soaked with mud and dazed by concussion wandered among the onlookers.

"In the center of one street two tiny children crouched wailing and sobbing over the body of a young man. He was unrecognizable in his shroud of mud and it was hard to believe that he had been alive before. From under the fallen straw roofs around each of five bomb craters came continuous wails of lament."

And the United Press on the same day states that "the objective of the attack was not known. The Liberators dropped twenty bombs on the northern and western slum districts where thousands of Chinese live jammed together in rows of mud huts and rickety tenements . . . A heavy downpour and low-hanging clouds reduced visibility to a minimum and ruled out the possibility of precision bombing of the rail installations, the only military target in the bombed area . . . Foreign observers said that even under perfect conditions it would have been difficult to carry out such a raid in the middle of a residential district without hitting civilian targets."

In Joseph Conrad's *Heart of Darkness*, written in 1902, there is a French man-of-war lying in the immense peace of the sunlight and the calm seas off the African coast. With purposeless and imbecile regularity the man-of-war was firing at some undistinguishable objective ashore. Forty-seven years ago, Conrad thought such action senseless and depressing to observe.



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Aachen Revisited

A former OSS official finds the town's resurrection baffling after its 'death' under the guns of the First Army in the fall of 1944

The daily train from Paris to Copenhagen —through Liège, Aachen, Cologne, and Hamburg—provides a fine opportunity to see what Europe is like five years after D-Day. The train runs through an area that is as deeply and disagreeably divided as it ever was before the war.

Sitting near me, when I took the trip last month, were a British sergeant, on his way back to Germany after a short leave, and a Frenchwoman, an employee of the International Refugee Organization, on her way to Hamburg. I was on my way to revisit Aachen. The rest of the train seemed to be full of Scandinavian vacationers on their way home.

At Jeumont, on the Franco-Belgian frontier, where the train halts for an hour, the Frenchwoman got into trouble with one of the three sets of inspectors, the money checkers. They discovered that she had five hundred Swiss francs, and treated her as a criminal. She was dragged off the train for further search; an hour later she returned, in a state of near-hysteria, with her five hundred francs in her hand.

Her ordeal was not over: At Herbesthal, near the Belgo-German border, Belgian inspectors pounced upon those five hundred francs, and the compartment became once more the scene of anger and tension. The Swiss francs, ironically, were offensive precisely because they are good. They made everybody edgy because they are the soundest currency in Europe.

The IRO woman protested both to the French and the Belgian border police that she was a United Nations official, that she was stationed in Geneva, and that her salary was paid there in Swiss francs. Finally the Belgians, like the French, let her keep her money. Eighty minutes later our train arrived in Aachen, the first stop in Germany, and new sets of officials—the fourth in nine hours—clambered aboard. Two uniformed German inspectors shook their heads disapprovingly at those francs. "*Nein, nein, nein!*" one said. "*Verboten.*" The woman answered heatedly in French, which I translated to the bewildered Germans. They muttered, "*Man muss den Engländer suchen.*" ("We must find the Englishman.") There was no doubt as to who had the real authority around here.

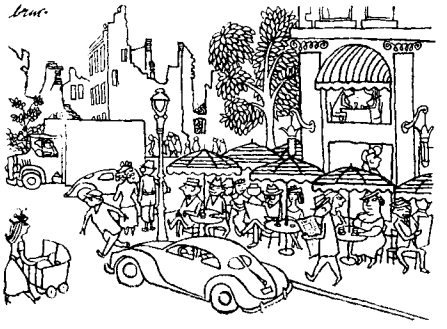
The *Engländer* turned out to be a British civil servant in uniform. He listened quietly to the woman. Then, crisply, he announced his decision: "Madame, you must hand over your money; we will send it to your bank in Switzerland." He was British, polite—and inflexible. The French and the Belgians had made a fuss and done nothing; the Englishman had raised his eyebrows and acted

Out the window, there was light on some of the streets of Aachen, illuminating the ruins. I had seen Aachen many times before, but never lit up. The first glimpse I had ever had of the city was through field glasses. I was at a forward observation post and was watching the town being pounded to rubble by American shells. This was on October 21, 1944, the day that the city's garrison surrendered to the First Infantry Division of the First Army—our first sizable city in Germany.

Charlemagne's ancient capital, the proud *urbs regalis,* lay dead as we entered it then. Hitler had ordered that it be defended to the last stone. A pall of smoke hung over the shambles. The buildings had spilled onto the streets, and the rubble had to be cleared, like heavy snow, for military traffic. Craters studded the avenues; lamp-posts and trolley tracks were twisted together. The windows of the great cathedral, begun by Charlemagne in 796, were shattered, and the roof was broken.

From the unending ruins came the stench of death. There did not seem to be a sign of life anywhere. But, it was soon found, there was some life. In the air-raid shelters and in the deep cellars under the ruins there were some eleven thousand people out of a total of 160,000—stubborn Germans who had refused to obey the Nazi order to evacuate. Gradually they came out of their holes, hungry and stunned.

It was in such a setting that the first city-size military government was set up in Germany. It was here that the occupation forces carried out their first experiments in ruling Germans. It was here that de-Nazification was first applied—and to a large extent messed up. A month after the capture of Aachen, First Army headquarters sent me there with a small team to investigate, and, in the end, to help clear up the mess. At the same time President Roosevelt, sensing trouble at long distance, dispatched one of his assistants



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from Washington to look over Aachen and lay down the law.

We spent weeks of the dreadfully cold autumn of 1944 in the gutted city. Here, with the front line practically within rifle range, we were waging a bitter political struggle: Military government favored the appointment of reactionary Germans because they were efficient; we insisted on democratic Germans even if they were inefficient. We ended by composing a report which shook up military government and led to a clarification of the de-Nazification principles that, for the next two or three years, were to be applied in the rest of Germany. In the meantime the main cause of the controversy, Aachen's right-wing *Oberbürgermeister,* who had been tied up with German munitions interests, was murdered—ostensibly by angry Nazi agents.

All that had occurred four and a half years ago. Now I was back to see what had happened to the city since then—and particularly since the summer of 1945, when the Americans handed Aachen over to the British.

My first morning in Aachen, I saw a circus parade on the Friedrichsallee. Along the tree-lined boulevard, now cleared of debris and neatly patched up, children followed a line of donkeys, beribboned horses, elephants, water buffalo, and red wagons. Groups of adults applauded from the sidewalks.

On the wide Theaterstrasse, which had been burned practically to the last building, there was an open-air café on the terrace, where many customers sat at neat little tables, shielded from the sun by beach umbrellas.

All over Aachen it was the same; the city had come to life. Attractive posters covered the doors and windows of houses that had not yet been restored. There was activity, motion, everywhere. Traffic—including a great many loaded trucks—was heavy. Streetcars rattled down repaired streets. Sidewalks were crowded with purposeful-looking, well-dressed, and apparently well-fed men and women. Behind the railroad station, which was a gigantic wreck four years ago, sat a line of taxicabs. On the Münster Platz, the medieval square alongside the cathedral which I remembered as piled house-high with debris, there were now flower stands, as there had been for hundreds of years until 1944. The cathedral was open for services, and for Bach; only part of the nave was still boarded up. I was told later that the church architects had not yet decided whether the cathedral windows, which are supposed to be the tallest in Europe, should be restored in imitation Gothic or in clear modern.

Rebuilding and new building were going on everywhere. In Aachen, as in the rest of the Rhineland, I came upon DETOUR signs everywhere, a mark of reconstruction. Shops and business establishments, including, in Düsseldorf, night clubs and bordellos, were getting first priority. A common sight, in fact, was that of a store occupying the street floor of a building which was nothing but a gaping shell above.

Most surprising to me were these shops—neat, modern, and extraordinarily well stocked. They could compare with most of those of Paris. The windows and the shelves contained great varieties of canned goods, sausages, cheeses, meats, fats, wines, brandies and liqueurs, mostly unrationed and not especially expensive. Luxury stores carried some of the best silver, ceramics, and china I have seen anywhere in Europe, and at prices considerably below those of Paris. The Kaufhof, a department store in the Markt Platz (an empty shell when I saw it in 1944), had as wide and as well-displayed a selection of goods as any establishment of comparable size in America.

The city government supplied me with a mass of statistics, which confirmed the resurrection of Aachen. Of the 285 kilometers of water pipes the city had before 1944, 283 are now in use. Of 208 kilometers of gas pipes, 195 are functioning. Electricity and streetcar and bus services are all back to normal. The population is up to 122,000 and is steadily increasing. In Rote Erde, a western suburb, Philips, a Dutch firm, is now erecting a large electric-bulb and glass plant that will employ four thousand workers and begin operating in three months.

Where do the people live? Eighty-five per cent of the buildings in the city were destroyed or damaged during the war. A survey taken not long after the war ended showed that thirty-five per cent could be classified as reparable; the Germans have already put all these buildings back into decent shape. Half of the city is still in ruins, amidst which grass and shrubs now grow, but, the leading public-works

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official told me: "We expect to have the city all restored in about twenty years." A businessman supplying the building industry with tools and equipment said to me: "Thank God, there is no shortage of material or labor." He proudly showed me tools and instruments that have been made in the Ruhr since the end of the war and said they were as good as the prewar articles.

A music festival was going on while I was in town. Since the Municipal Theater has not yet been completely rebuilt, the *Musikfest* was held in the auditorium of the Technische Hochschule. The Aachen choral group performed two works by Ernst Pepping (*Lob der Tränen* and *Der Lauf der Welt*). Other evenings a quartet played Mozart and the symphony orchestra gave Beethoven and Bruckner.

The week I was there was a high cultural one for Aachen. On the intellectual side, the leading event was a lecture by the Director of Archives on "Aachen and Goethe." I did not hear it, unfortunately, but was informed that it was "a presentation fascinating to the last word." Goethe, it would seem, had once made an Aachen manufacturer his lawyer; had written letters to Herder when the latter visited Aachen in 1792; had mentioned Aachen in his book *Reinecke Fuchs;* had been admired by Wilhelm Smetz, a poet from Aachen; and had loved the Aachen beauty Betty von Clermont. The audience adored it all.

My old acquaintances turned out to be most hospitable and, in some instances, quite sentimental about our reunion. One city official arranged a lunch for me in the Mosel Häuschen, a beautifully restored seventeenth-century house, where he is a well-known patron, and the seven-course meal, which we ate in an upstairs room that looked like something out of Dürer, lasted all afternoon and was accompanied, and followed, by bottle after bottle of light, dry Moselle.

My hosts were thirsty for knowledge about America. They wanted to know what kind of men Truman, Marshall, and Acheson were, and one said: "I imagine Herr Truman to be a nice human being, not perhaps a great man, but a very honest and decent one; that's what we need in Germany, too." Another remarked that he had just bought a book in translation by the "American philosopher" Toynbee, and asked whether I could recommend other such works that represent American culture. A third observed: "We Germans have yet a long path to travel to achieve democracy, and it is a very thorny road; we Germans hardly even begin to understand the inner meaning of democracy. Among the worst offenders are the bureaucrats. In my office I keep on insisting that they don't address me any more as *Herr Stadtrat*, or even as *Herr Doktor*, but just simply as *Herr M.* But it's hopeless; I can't make them do it. Little things like that are important."

Everywhere I went I heard candid opinions. A well-to-do young woman told me that the British authorities in the city, while decent, were socially aloof. "They look upon us," she said with an ironic smile, "as natives, colonials." Her mother added that the Belgian garrison in Aachen engaged in almost open smuggling; coffee, sugar, and butter were moving practically unobstructed, she said, from Belgium across the border into Aachen. A big-store owner said: "For us the best thing would be an economic union with France." A textile manufacturer, who produces fine gabardine, said he was exporting as much as before the war, and making good money. The city's biggest publisher, who now puts out three newspapers (Aachener *Nachrichten*, *Europa-Kurier*, and *Die Stimme*), told me that the Americans had gone too far in their de-Nazification policies, but that now everything was shaping up fine. "Now we have business and work. For us Germans there is nothing like *Arbeit*."

My radical friends I found prospering too. The old Social Democratic printer, whom we had recommended as our first newspaper publisher in occupied Germany (the Aachener *Nachrichten*, which we set up for him to publish, still carries under its masthead the proud words: "Issued by Permission Number 1 of the Military Government"), is now in business for himself. He is a printer and book publisher and he informed me that he was putting in new presses. "There is still plenty of life in the old boy," he said. He is seventy-three.

In the Aachen suburb of Würselen, I looked up a Communist acquaintance, who, during the war, had been a heroic figure. He had cleared the minefields and had given honorable burial to the American soldiers who had fallen in them. He had daily risked his life for the Americans, whom he considered his comrades, fellow-fighters against Fascism. This young coal miner was then a brooding and bitter figure, hating his countrymen for their cowardice, their cruelty, and their "swinish materialism." Military government had made him first a policeman and then *Bürgermeister*, a job which he lost in an election last year. Now I found him in a neat red-brick house, with a grocery on the ground floor. He was sitting at a desk, in a clean white shirt, placidly pasting coupons on paper—all in all, a comfortable bourgeois. His face had lost its lean and tragic look, and had become quite chubby, placid, and ruddy. He introduced me to his young wife and two-year-old son, and then showed

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me proudly around the house and garden in the back. It was his own property, or rather his wife's, for he had married the daughter of a well-to-do farmer, an heiress. His wife ran the grocery, and there was a ring of pride in his voice as he told me of their plans to enlarge the business.

My last visit in Aachen was to the *Regierungspräsident*, equivalent to the governor of the province. He had been an obscure Social Democratic official in a small town when I had recommended him to military government back in 1944. His office, in the restored Aachen Government Building, was crowded with callers, but as soon as my card was shown him he sent his visitors away and asked me in. I suspected he couldn't resist the temptation to show off now that he was the most important man in the whole province. The British, he told me, had kept him in office after the Americans moved out and then the Land Parliament reappointed him as a sop to the Social Democratic Party which represented about forty per cent of the electorate in the region. "I suppose I have you to thank for this job," he muttered, and then quickly scolded me because I had quoted him in a book as favoring postwar unity with the Communists. In this, as in so many other things, he had obviously changed.

Power and success gave him an air of bureaucratic smugness. Everything, he told me, was going "fabulously." He was "making them" do things. *He* was doing this, that, and the other.

After a while I said I had to go to the railroad station. He asked whether I had my car outside and I said that I was no longer an Army bigwig equipped with vehicles, but a simple working writer. "Ah," he replied, "but I can't possibly let you *walk* to the station." He took me down to his car and ordered the chauffeur to drive me. Both were conscious of how our positions were now reversed. As we shook hands, he nodded in the direction of a barred window. "There," he said, "I was once interrogated by the *Gestapo*. And now I am back here as the master, as the *Regierungspräsident*."

The car was a new, German-made Mercedes-Benz, a sleek, black limousine with chrome handles. That was my last impression of up-and-coming Aachen. —SAUL K. PADOVER

The Third Force

Up to now, by virtue of energy and good luck, it has held its own against both right and left

France's Third Force is very nearly two years old, and an impartial observer must admit that, in spite of the skepticism it ran up against in the beginning, it has a considerable number of accomplishments to its credit. The most recent is the fine showing that it made in the departmental elections and the election of the Council of the Republic, the lower house of the French Parliament.

Of course, these elections do not give us an infallible indication of the French political scene. The departmental elections are very different from national ones. The candidates are local bigwigs, and in a country as essentially middle-class as France, they are seldom political extremists. Another complicating factor is that many of the candidates have a double allegiance—say to both de Gaulle's *Rassemblement du Peuple Français* and the Radical Party—and, in such cases, it is hard to tell which allegiance is the more powerful, which the less.

The Council of the Republic is elected by communal and departmental bodies, and so its composition reflects the local elections. The electoral law is somewhat antiquated, and very frequently the numerical results turn out to be quite misleading. The Communists, for instance, lost strength, but not as much as it appears. Whatever detailed analysis we may choose to make, one thing is certain: De Gaulle did not receive the amount of approval which he apparently expected. For this reason the R.P.F.'s contention that the government does not really represent the will of the people is greatly weakened, and there is no longer a legal reason for the dissolution of the present Chamber of Deputies and a general election. The Chamber can count on lasting out its normal life span—until the end of 1951.

Both the local and Council elections did show a pronounced trend toward the right. But this trend led, not to an advance for the revolutionary or pseudo-revolutionary R.P.F. movement, but to a greater number of votes for the traditional, older right-wing parties.

In a preceding report, I said that the most important political problem facing all Europe—like it or not—is whether the traditional institutions of parliamentary democracy are strong enough to cope with the hostility (or even the tolerance) of the Communist Party, or whether new institutions must replace them. The chief merit of the Third Force is that it seems successfully to have persuaded the average Frenchman that the Communists can still be held at bay by traditional means. After two years' experience with the Third Force, and after listening to violent criticisms of it from right and left, French voters still prefer to follow the beaten path rather than indulge in political experiments whose results are unpredictable.

The R.P.F. was counting on economic disaster, on an exchange rate of a thousand francs to the dollar, on increasing danger of war. Instead, economic conditions have improved, the dollar has gone down to around 330, and war seems less imminent. There is a typically French witticism, deeper than it sounds, to the effect that "de Gaulle is not France's last hope, but its last hopelessness." And since the French

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have been finding themselves in a less and less hopeless position de Gaulle's stock has not risen. To some extent de Gaulle's first setback was the Italian election last year. If Italy had gone left, de Gaulle would probably have taken power within a very short time. When the worst did not come to pass in Italy, France defeated the temptation to embark upon a desperate political adventure. The rest was taken care of by the French will to recover, and by the salutary effects of the Marshall Plan and the Atlantic Pact.

These negative elements in the Third Force victory oblige us to make some reservations for the future. France has made a considerable economic recovery, but is it permanent or temporary? This is not easy to prophesy, especially since the French economy, like every other, is bound up with that of the rest of the world. If the recovery in spite of inevitable fluctuations turns out to be a solid one, the R.P.F. will lose strength steadily. But if economic affairs go badly, it will have yet another big chance for power.

The record of the Third Force is not merely negative. Circumstances have helped it, but it has also helped itself. Its three main parties—the Socialists, the Popular Republicans, and the Radicals—have shown real courage. Attacked from both sides, doubted and ridiculed, they have reacted with energy and flexibility. The Third Force has proved itself quite able to beat back the Communists whenever they have overstepped the line. This was demonstrated in a spectacular manner by the way the government handled the potentially disastrous miners' strike last fall.

We must admit that, from one point of view, the R.P.F. has recently fulfilled an important function in French politics. For several years the dangerous and hypocritical "common front" slogan adopted by the Communists in the Resistance period had weighed down people's ways of thinking. Men and parties had come to look for danger from only one direction, the left, or to think the only way to deal with the Communists was to give in to them. The Third Force is by definition at the center, but the center is not the center unless it occupies a position of balance between extreme left and extreme right. If there is no right, the center's job is difficult if not impossible. The R.P.F. restored balance, and the Third Force discovered that it had the ability to adapt itself quickly to its central position.

In the realm of public finance, the Third Force has shone particularly brightly. It has gone far in balancing the budget, kept prices from going higher, and stopped the movement toward inflation. One or another legal proviso is perhaps open to criticism, and there may be quibbling about measures that should or should not have been taken, but a great deal has been accomplished—and not merely because the circumstances were favorable. As a matter of fact, favorable circumstances are always an important factor in politics. Italian Fascism, for instance, would never have lasted for more than a year if revolutionary agitation had not been on the downgrade or if the worst of the postwar economic crisis had not been over. The Fascists took credit for an improvement which would have taken place without them. In France, the Third Force has had a similar kind of good luck.

I have said that the most serious threat to the Third Force's continuation in power is economic uncertainty. But this is not all. One serious Third Force weakness is the fact that it is made up of heterogeneous elements, which by no means agree on their economic ideas. The Socialists are more devoted than ever to their theory of nationalization. Now, the problem of nationalization or, to be more exact, of the management of nationalized industries, is no longer merely theoretical. If a country nationalizes its industries, it has many evils to contend with—particularly bureaucratic elephantiasis. Most of the jobs in the new bureaucracy are held by Socialists, and if there is a reversal of the nationalization policy, or even a reduction of personnel, a number of them will necessarily become idle.

There is a hot controversy in France as to whether the burden of welfare and social benefits is not too great for French production to bear without a rise in prices. Each side is, not surprisingly, convinced that it is absolutely right. For better or worse, the Social-

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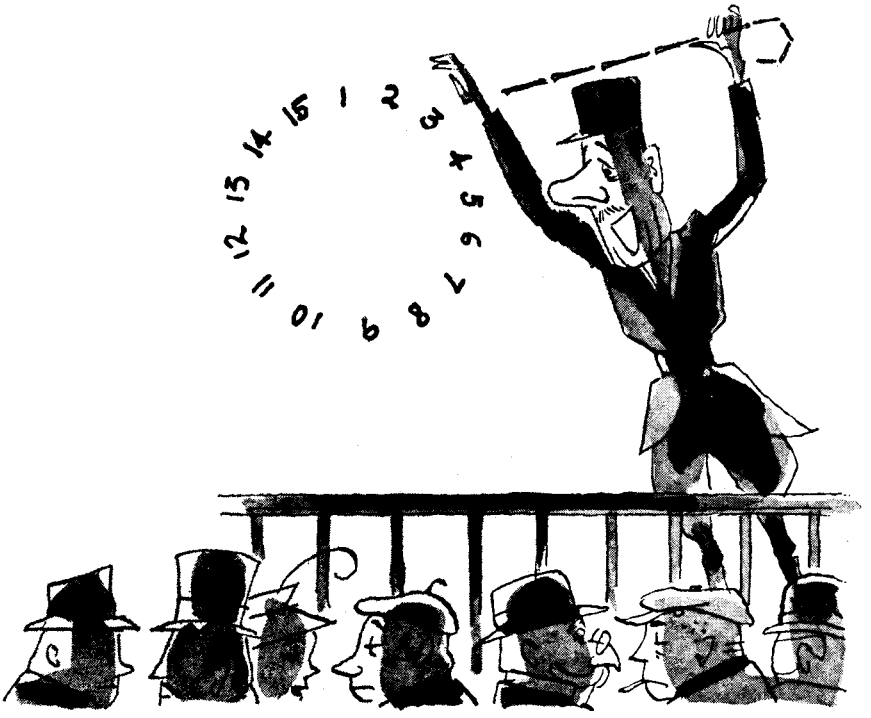
ists and the Catholics are resolved to keep this feature of the Fourth Republic, which incidentally yields them a number of votes, while Radicals and Independents are resolved to do away with it, which brings them votes. The list of differences among the Third Force parties might be continued indefinitely.

The question is further complicated by the fact that the Socialists have lost votes, even if, in the recent elections, they did partially redeem their losses. The Catholics have lost even more, and it is doubtful that they can ever regain them. The Radicals and Independents have, on the contrary, gained, and although they are still a minority they may yet claim to be the truest representatives of the popular will.

So far the danger from left and right has kept these internal differences unobtrusive and, except for the unfortunate attack on the Reynaud Plan, which very nearly wrecked Third Force unity, a formula acceptable to all factions always has been found. But now that immediate danger from both right and left has subsided, there are more signs of dissension. The able maneuvering of M. Queuille has, with a fair degree of success, prevented any split on financial questions, but the situation is still tense and a new crisis may arise at any moment. If there is one, it would not be easy to solve. Theoretically a new Ministry could be formed without the Socialists, but the Catholics very likely would not consent, and in any case dropping the Socialists would mean calling in the Gaullist *intergroupe,* which would most assuredly prove to be a Trojan horse. The Third Force might exclude the Radicals, although there would be parliamentary difficulties in the way, and the risk of strengthening the extreme right-wing bloc. Either course might lead to a series of Ministerial crises, to new elections, and to a discrediting of the parliamentary régime to the advantage of the R.P.F.

Another and more serious threat hanging over the French political scene is the increasing political apathy of the masses. The worker and peasant are more and more skeptical about, and bored by, political parties and politics in general, and indifference notoriously provides an opening for totalitarianism. Failure to vote has become widespread, and for this reason an election might have surprising results. There are entirely too many wild cards in such a deck.

Last comes the question of the amnesty. Under the German Occupation it was understandable that the Resistance should hate any kind of collaborators. Patriots who were risking their lives could not draw the line between Darnand's militiamen, who were body and soul for the Germans, and the government employees who stayed at their



posts trying to save whatever could be saved. This indiscriminate hatred was cleverly exploited at the hour of liberation by the Communists, who took advantage of it to eliminate a section of their enemies among the *bourgeoisie.* The other parties followed their lead without realizing the implications of what they were doing, and many men who had been active in the Resistance tried to capture the best postwar jobs. That was a perfectly natural and human phenomenon. But the various injustices of the Resistance movement —these germs of civil war—still constitute a menace to the health of the French body politic. The moral principles of the Resistance have lost nothing of their fundamental rightness, but when it comes down to everyday living we must admit that the majority of our fellow human beings are neither saints nor devils but a little bit of both, and that an abstract justice cannot be applied without gross unfairness. Time has tempered many judgments; Frenchmen can no longer be divided into two camps, the righteous and the damned. The time has come when, in order to rebuild France, things past must be forgotten, or at least error must no longer be condemned as a capital crime.

The question of an amnesty is a crucial one. De Gaulle unintentionally advanced the cause of the Third Force by failing to understand its importance or propose any solution. So far the Third Force has not faced it either, but there are promising signs of action to come. Bidault, who is above reproach or suspicion, has taken the initiative; President Auriol has engaged the supreme authority of the Republic. Barring unexpected delay, the cleaning up of this situation will soon be a new feather in the Third Force's cap, and a guarantee of future stability in the disunited Fourth Republic.

Indeed, the Third Force has chalked up real and vital accomplishments and has shown that it carries possibilities of growth and development. At the moment it is slightly left of center; in the future it may veer slightly to the right; but always it will remain within the framework of constitutional institutions.

But let us not be blind to reality: the Gaullists are still a potential menace.

—FLAVIUS

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Poland: A Change Ahead?

Having gained power unobtrusively, the Communist régime now must put the screws on the religious, patriotic Poles

Since the end of the war the West has received a steady stream of reports from Poland about how a small minority of Communists has obtained mastery of the government by devices which violate all the rules of democratic procedure.

There is nothing inaccurate in these reports. The trouble is that they have persuaded the West not only that a government has been usurped, which is perfectly true, but also that the Polish people are conscious of the usurpation, and actively resent it, which is not, or at least has not been, true.

During these last four years the West has regarded Poland as a country taken over villainously by the Communist minority. During those same years the ordinary Pole has not had time to figure out whether that is the case. Any human being in any country in the world sees his government largely in terms of what it does to him personally. In Poland, the Communists have consolidated their strength within the government, almost without being noticed by the great mass of the people.

The screen behind which the Communists have operated has been that Poland has required enormous reconstruction and economic reorganization. At the end of the war its capital city was in ruins, totally uninhabitable. Its population was down from thirty-five to twenty-four million. Its eastern farms, forests, and oilfields had been taken away, and, in return, it had received the industrial complex of Silesia. Before Poland could function again, Warsaw had to be rebuilt; the new territories had to be filled with people; those people had to be trained to operate the new industries; and an entirely new economy, suitable to the shift of Poland's boundaries from east to west, had to be constructed.

The Communists in Poland made these tasks their first priority, assigned their best men to them, and thereby won support from a country that knew it had to concentrate on reconstruction.

There is not the slightest doubt that the government has succeeded to a large degree in achieving reconstruction. Four years ago Warsaw was the worst-damaged capital in all Europe. Today it is the best-rebuilt capital in all Europe. Four years ago the industries of Silesia were dead. Today they have put Polish production above prewar in almost every category.

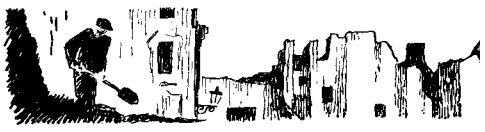
The Communists would be in quite a different position today if they had put communization at the top of their priority list. Poland is certainly not a Communist country. First, it is ninety-six per cent Roman Catholic. Second, it is ninety-eight per cent anti-Russian. Third, it is ninety-nine per cent passionately Polish. Had the Communists started out to cram orthodox Communism down Poland's throat at the beginning, there would have been the most extreme and violent trouble.

The Reds have avoided in every possible way calling public attention to themselves. Technically, there is no such thing as a Communist Party in Poland. Until this spring very few Communists ever allowed themselves to be labeled as such in public print, or even in private conversation. The Red Star has never been flaunted in Poland. It does not appear in the heraldry of the state or army. The Polish soldier still wears the Polish Eagle on his cap. Mass remains an official formation.

More importantly the Communists have moved sluggishly during these four years in the nationalization of trade and the collectivization of farmlands. The sluggishness has been most pronounced in collectivization. To this day, not one western correspondent has ever seen a Polish collective. On several occasions the Polish press has blossomed out with feature spreads about some allegedly operating collective. But British and American Embassy staffers never have been able to locate more than one. In other cases the collective has existed only to the extent of having a manager with a title. There is now an official policy to proceed with collectivization at the rate of one per cent of cultivated land per year, but western observers think that this is more for the sake of appearances than anything else.

To summarize, the Communists have spent their first four years in Poland building a reconstruction record behind which they have gathered in the reins of power. This has been obvious enough to the outside world, but not to most Poles, who have been much too busy getting their homes rebuilt and their individual lives reorganized and their country functioning again to notice the process.

That is the story of the past four years. But it is not likely to be the story much longer. There are many signs of change impending. A symbolic event is the abolition of the old Polish square-topped army cap. The new cap is round, like any other army's cap. This would appear to be the first move against the



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symbols associated for generations with Polish nationalism. Another sign is the growing frequency with which blustering young men from the tax collector's office descend upon privately-owned shops and accuse their proprietors of falsifying their books. Another is the apparent replacement, early this spring, of Hilary Minc, the man who planned and executed the great reconstruction project and is admired by many an anti-régime Pole, by a young economist named Szyr, who learned his trade in Moscow. Minc's economic policy was geared to the doctrine of gradualism.

The actual signs of impending change are fortified by two lines of reasoning, both of which lead to the conclusion that the Communists must exercise their power less unobtrusively if they are to keep it.

The first is that much greater economic difficulties lie ahead than have been encountered in the past. Four years is a long time in which to keep a nation going on tough work and patriotism. Workers have become tired. Organized labor is growing annoyed by the loss of its freedom to strike, and the strain of Stakhanovism. Many a Stakhanovite has been buried with pomp and honors. But he was buried, and his surviving colleagues are beginning to wonder if it was worth the effort.

So much of the reconstruction effort has depended upon private initiative that the Communist leadership must feel a danger in letting matters continue as they have been going. They must socialize or run the risk of seeing Poland set into a mold of non-nationalized retail trade and non-collectivized agriculture.

The second line of reasoning leading to the conclusion that major changes are coming involves high politics. Poland is the largest of the Russian satellite states. But Poland is a reliable satellite only on the top government level, and that is hardly enough to serve Moscow's purposes, or impress Moscow with the high merits of Poland. And the Polish government wants favors from Moscow.

No government—not even a Communist government with all the power it exercises—can hope to retain its power if it fails in the long run to serve the interests of its people. The present régime in Poland must make the Polish economy function to retain its power. But its plans for economic success are based on keeping the western territories taken from Germany. It is a prominent and major fact about eastern Europe that the Red Army is camped on those territories. The régime in Warsaw is dependent on Moscow for the retention of that land up to the Oder-Neisse line. If the régime is to be able to count on keeping those territories it must be able to convince Moscow that Poland is a reliable dependency.

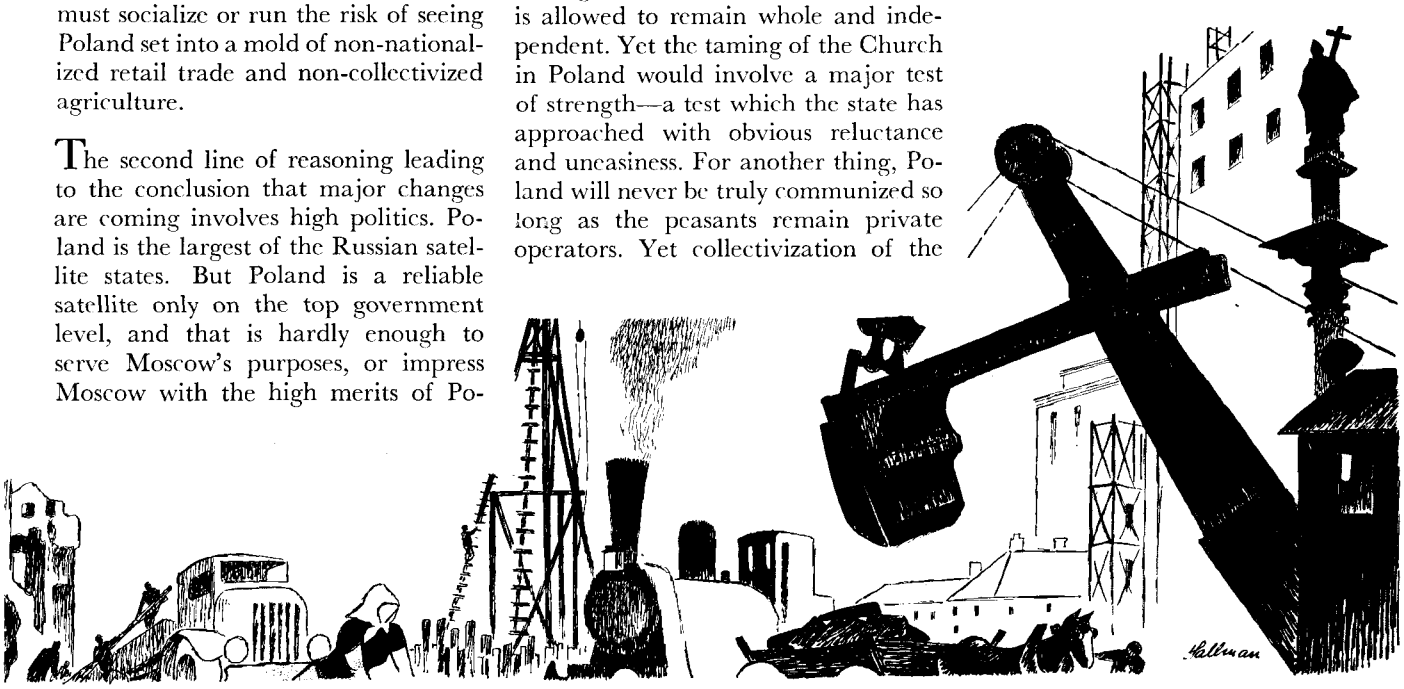
From these lines of reasoning it is a justifiable conclusion that the Communist régime in Poland is approaching a problem which will test and strain its power to the limit. It must attempt to transform nationalist Poland into a reliable dependency of Moscow. Yet to do this there must be measures which will create great and new friction between the government and the mass of the people, and will, in all reasonable probability, put an additional strain on the already overstrained economy of the country.

For one thing, Poland can never be a dependable dependency of Moscow as long as the Roman Catholic Church is allowed to remain whole and independent. Yet the taming of the Church in Poland would involve a major test of strength—a test which the state has approached with obvious reluctance and uneasiness. For another thing, Poland will never be truly communized so long as the peasants remain private operators. Yet collectivization of the land is a step to be approached with quite as much wariness as the swallowing of the Catholic Church.

It is probable that the régime, if it were left to its own devices and not pressed by external events, would take its own good time about any such projects. But the régime *is* pressed by external events, and, the chances are, it will not be left to its own devices. Titoism is an infection which has touched Poland. Wladyslaw Gomulka, the former secretary general of the Polish Communist Party, was purged primarily because he opposed the excommunication of Tito. If Poland is to be immunized against Titoism it must be coordinated more than it is now. If Poland is to be favored by Moscow over Czechoslovakia in trade matters, and over eastern Germany in the matter of western territories, it must be coordinated. Finally, suppose that some day Moscow loses the battle for Germany, and the West, with all its influences, marches to the borders of Poland. Should that ever happen, Communism would need to be better established in Poland than it is.

The basic fact about Poland is that up to this time it has not been necessary for the régime to take measures that interfered with the lives of a majority of Poles, but now there seems to be no way to avoid such measures. So far there has been little reason for friction. In the future there is likely to be much reason for friction.

—Joseph C. Harsch



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Canada's Liberal Landslide

Some surprising miscalculations about labor by Duplessis of Quebec set the stage for the crushing defeat of the Progressive-Conservatives

The recent decision of Canadian voters to return Louis St. Laurent to the Prime Ministry by the greatest majority in the country's history means that Americans can rely on a cooperative government in Ottawa for the next five years—cooperative, that is, in foreign policy, but not in any sense subservient.

The traditional policy of the Liberal Party, which Mr. St. Laurent heads, has been to do all in its power to develop Canadian industry. Some Americans will recall that an earlier Liberal leader in the Province of Quebec, Mr. Taschereau, put an embargo on the exportation of Crown Lands pulpwood and so forced many American newsprint and pulp manufacturers to build plants in Canada. This case—and the Liberal policy toward home industries—is still important, because Canada is going to figure more and more hugely as a supplier of materials essential to our economic existence—forest products, nickel, calcium, asbestos, oil, iron ore, uranium, titanium ore, and a host of other minerals that are just being discovered in abundance in Canada.

What happens in Canada politically is very much our concern. And what happened late in June was significant indeed. Every province and territory gave the Liberals a clear majority except Alberta, where the Social Credit Party continues to rule. The two richest and most populous provinces, Quebec and Ontario, gave St. Laurent about 1.7 million votes against something over one million for his chief rival, George Drew, the Progressive-Conservative from Ontario, and three hundred thousand for the C.C.F. (socialists). In the 1945 election, the figures for these provinces were respectively 1.3 million, eight hundred thousand, and 588,000. The result is a House of Commons made up of 193 Liberals, forty-two Progressive-Conservatives, twelve Socialists, ten Social Crediters, and five Independents. (These figures may change slightly because of recounts or deaths before the next session begins.) Compare this with the last House of Commons and you see how overwhelming was Mr. St. Laurent's victory: Liberals, 118—not an absolute majority — Progressive-Conservatives, sixty-six; Socialists, twenty-eight; Social Crediters, thirteen; Independents, eight; Independent Liberals, seven; Communists, one; and other parties, four.

One interesting thing about the election is the blow suffered by the minor parties, a reversal of the tendency toward proliferation of parties so general in Europe and so ill-suited to parliamentary government. Almost ninety per cent of the House of Commons in 1949 will be divided between the two large parties, which had only seventy-five per cent of the seats after the 1945 election. Here is a sign of political health. An independent leaven remains; the C.C.F. retains good strength as a party of protest and a moral watchdog. The Communists have wholly disappeared: Every one of their nineteen candidates was routed. If there is anything regrettable, it is that His Majesty's Loyal Opposition is a trifle too weak for its role.

Why the landslide? Everyone expected that the Liberals would win; no one expected the avalanche. There were positive reasons; there were negative reasons. There were, as always, special, personal reasons in every little hamlet and every urban district. But there is little doubt that the broad, positive aspects of the Liberals' program brought them back to power, especially since the Progressive-Conservatives were so negative in their appeal. The Liberals have two magnificent assets. One is Mr. St. Laurent himself. He is a man of integrity and moderation, not a professional politician but a distinguished and cultivated attorney. He comes from the "old capital," Quebec, and is half French, half Irish. That he is in no sense bigoted or partisan is shown by his action regarding Canadian diplomatic representation at the Vatican. Himself a Catholic, he yielded on this point to strong Protestant opposition and decided that psychologically the Protestant majority was not yet ready to send a legation to the Holy See. Louis St. Laurent represents the finest type of French Canadian, as did Sir Wilfrid Laurier, the first of his stock to become Prime Minister.

The second asset is the party's record of internal legislation, partially inspired by Mr. Roosevelt and the New Deal and partially borrowed from the socialist C.C.F. program with the deliberate intention of undermining that party. During the first five years of this decade the socialists had moved up from 390,000 votes to 820,000, and Mr. Mackenzie King, then the Liberal Prime Minister, didn't like it. So he appropriated the most popular socialist planks and made them law. Precisely as the Republicans have done in the United States, the Progressive-Conservatives now claim that they are all in favor of unemployment insurance, old-age pensions, family allowances (so much cash each month for every minor child),

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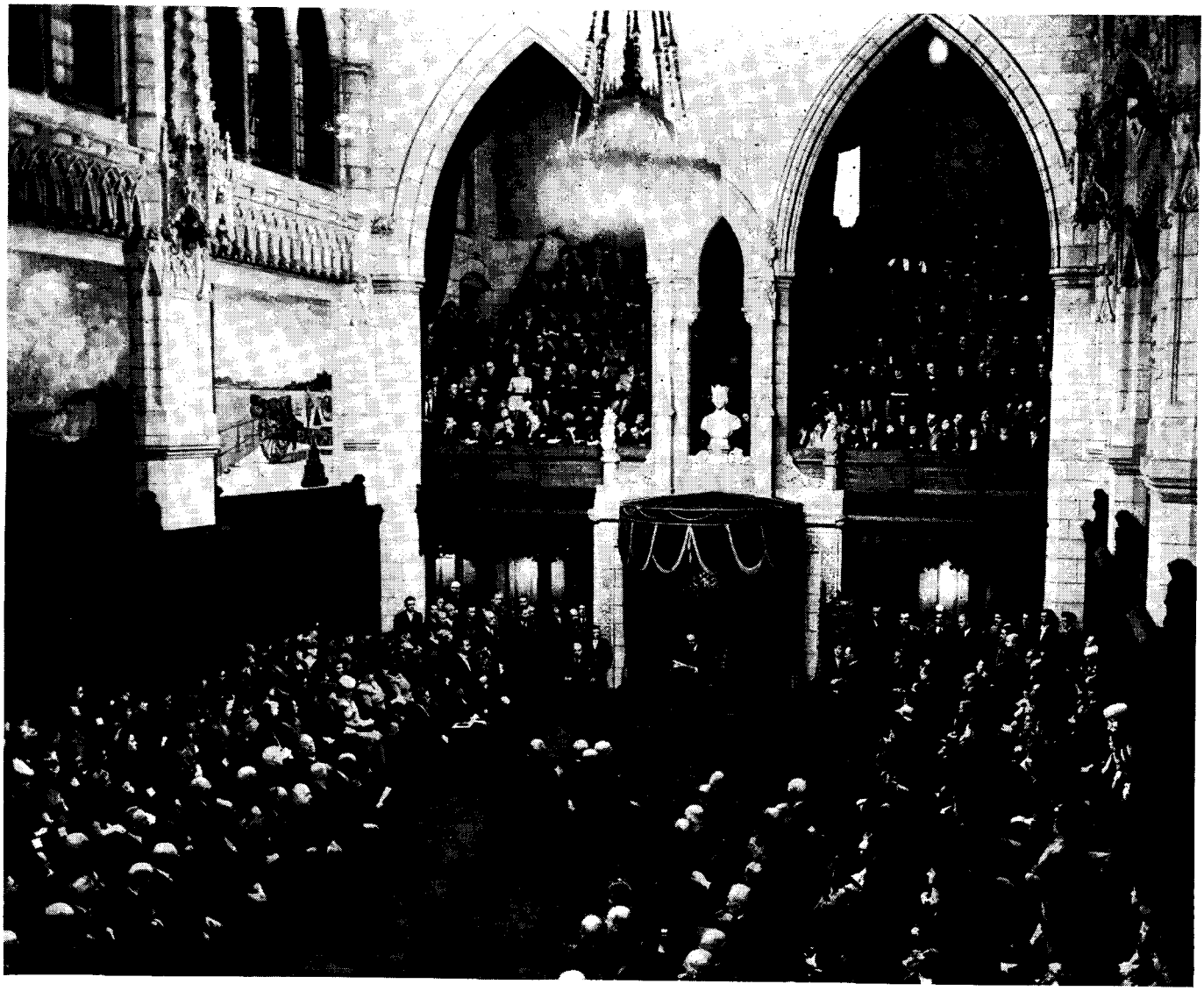
and all the rest; that if they are in power, they will abolish none of these things, but manage them ever so much better. Canadian voters are no more impressed by such me-too-ing than Americans are. Mr. Truman fooled everybody; Mr. St. Laurent astounded everybody by the size of the majority which brought him to power.

The Progressive-Conservative Party has not yet found the vitamins to remedy its nutritional deficiencies. That party was in power during the First World War and suffered a defeat similar to that of Woodrow Wilson after it was over. One result was to make the Province of Quebec overwhelmingly Liberal and to make it impossible for the Quebec Conservatives to dislodge the long-reigning Taschereau provincial government. When the Liberals were finally beaten, it was by a coalition, called the *Union Nationale,* of Conservatives, disaffected and realigned Liberals, and independents. This group was and is headed by Maurice Duplessis, the present Premier of the province.

Meanwhile the Conservative Party was going through several face-liftings until it emerged as the Progressive-Conservative Party, for the last months under the leadership of George Drew. Obviously Duplessis and Drew might have worked in open alliance, but such an alliance had deep political dangers for Mr. Duplessis, who has always had close connections with French Canadian nationalists or, to be a little fairer, autonomists. How could he openly join up with the representative of Ontario Protestantism and British Empire loyalism? It was better to deny any interest in the 1949 national election. Hence the *official* situation was that the *Union Nationale* had no candidates for the Federal House in that election and Mr. Duplessis showed his official disinterestedness by spending a good part of the campaign period outside the province. Thus, on the level of party organization, the Progressive-Conservatives were in a bad strategic position.

At the tactical level, of course, there was practically unanimous support by the *Union Nationale* of all Progressive-Conservative candidates, which meant that Quebec Cabinet officers and members of the legislature were openly on the hustings in favor of Mr. Drew's men, and the Quebec voters got the



European

The Canadian Parliament in session at Ottawa

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distinct impression that a vote for the Liberals was not only a vote for their compatriot, Mr. St. Laurent, but also a slap at their other compatriot, Mr. Duplessis. Of course the result was not pleasant for Mr. Drew. A province, which, a year ago, had returned anti-Liberal Mr. Duplessis to office with the greatest majority in the legislature in the history of Quebec, now elected sixty-eight Liberals to Ottawa out of a possible seventy-three. That a majority of Quebec's members in the Federal House would have been Liberals regardless of Mr. Duplessis's existence is probable; that only two Progressive-Conservatives should have been elected from Canada's French province was possible only because of Mr. Duplessis's incredible lack of political tact; in a year he had succeeded in alienating thousands of the voters who supported him so overwhelmingly in last year's election.

Mr. Duplessis's slide began last January when he personally introduced in the Quebec Legislative Assembly a labor code of his own devising which made the Taft-Hartley Act look pro-labor. This in spite of the fact that his own Minister of Labor had worked out a code studiously devised to please both unions and employers.

Quebec labor has always been sharply divided between the Catholic unions on one side (with about half the membership of the province) and the local affiliates of the AFL and CIO. The latter always have been very dubious of the Catholic "syndicates," and there have been open conflicts between them, notoriously in the case of the ILGWU strike in Montreal some years ago. It is perhaps true that at the beginning the Catholic groups sought mostly "sweetheart" contracts, and looked askance at the rough and tumble of strikes and pickets and violence in which the "internationals" from time to time indulged.

The Catholic unions correspond to the extreme group-individualism of the French-Canadian spirit, which is revolted at the thought that any of its good money should go out of the country to support "international" officials, and is even more revolted at the notion of being called to strike for the benefit of some unknown brothers the other side of an international boundary. The question was whether these autonomous unions would acquire enough militancy to fulfill their basic function of improving their members' conditions of work and standard of living.

In the last few years, the Catholic unions have come of age. A new, youthful, alert leadership has taken command. When Mr. Duplessis introduced his code, there was an instant reaction; it had to be fought with every available weapon. A strategy committee was set up with representatives of *all three* labor groups working in unison against the common enemy. The Catholic priest-sociologists, who had played so big a part in fashioning the climate of Catholic unionism, backed labor. Finally, Duplessis had to yield and withdraw his proposal. But an occasion soon arose for him to vent his displeasure against the principal authors of his discomfiture. The asbestos workers in southern Quebec—all organized by the Catholic syndicates—decided to strike without the prior arbitration required by law, and did so in mid-February. The Quebec Government, calling attention to the illegality of this strike, openly sided with the companies against the unions, and the longest, and one of the bitterest, industrial conflicts in Quebec history ensued.

On one side were soon lined up the Catholic clergy, the Catholic and labor press, notably *The Ensign* and *Le Devoir*, the latter a daily controlled by the Archbishop of Montreal, and *all* organized labor in the province. On the other side were the companies, most of the large commercial newspapers, the provincial government, and the provincial police. There was violence. Suits were filed on both sides. There were indictments for conspiracy. The Riot Act was read. Even the many marriages of Tommy Manville, the asbestos magnate, were dragged into it. At the bishops' orders, collections were taken up after Sunday Mass at almost every Catholic church in the province to afford relief for strikers' families. Locals of various international unions—including that at Johns-Manville's Manville, N. J., plant—sent contributions. And there was a general outcry to the effect that Yankee capitalism was treating Quebec as a colony with the knowledge, consent, and aid of the Duplessis régime.

Black Star

Prime Minister St. Laurent

Whatever the right and wrong of the strike itself, it was a test of strength between Mr. Duplessis and the Catholic unions—and, indeed, all organized labor. It lasted the better part of five months and—significantly enough—was settled to the workers' satisfaction three days after the sweeping Liberal victory of June 27, by the direct intervention of Maurice Roy, the Archbishop of Quebec. It created for the Duplessis Government an antipathy both widespread and heartfelt. And it may mean something that the Liberals won over the Conservatives in this province in the June election by just about half a million—the number of votes one might logically suppose the province's two hundred thousand organized workers could have influenced in the Liberal direction.

None of this, naturally enough, was mentioned in the campaign, since all candidates had good reasons for respecting Mr. Duplessis's nonparticipation, but that it affected the outcome is beyond question. Certainly no Canadian politician for many years to come is going to let himself be put in the position of seeming to further American—or any other—business at the expense of Canadian labor or the patrimony of the Canadian people.

The one political task which remains for Canadians to perform for the sake of their national health is the formation of an integrated, national major party capable of giving the Liberals a better fight in 1954 than they had in 1949.

—HARRY LORIN BINSSE

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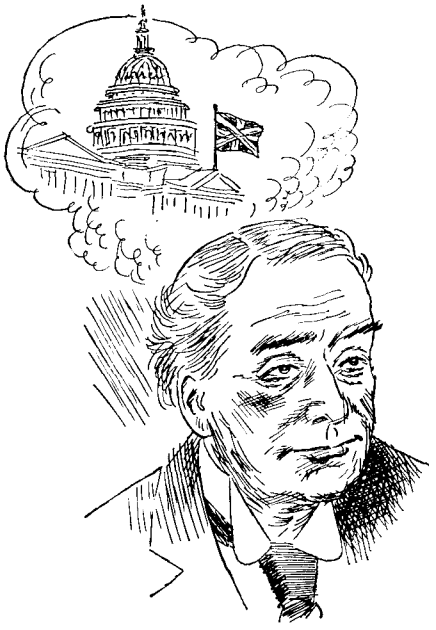
Lord Rosebery's Dream

If William Pitt the Elder had not become Lord Chatham, would King George VI have his palace in Philadelphia?



Lord Rosebery

On November 16, 1900, the students at Glasgow University assembled to hear an address on "Questions of Empire" by Lord Rosebery. It was a high-collar, frock-coat occasion, for Lord Rosebery, a Liberal, had been Prime Minister of Britain in 1894 and 1895.

His major speeches were always treated reverently by the press, and nobody had any doubt that this was going to be a major speech. Lord Rosebery had been thinking about the American War of Independence; he said:

"One cannot but pause for a moment to reflect that but for a small incident—the very ordinary circumstance of the acceptance of a peerage—this Empire might have been incalculably greater. Had the elder Pitt, when he became First Minister, not left the House of Commons, he would probably have retained his sanity and his authority. He would have prevented, or suppressed, the reckless budget of Charles Townshend, have induced George III to listen to reason, have introduced representatives from America into the Imperial Parliament, and preserved the Thirteen American Colonies to the British Crown. Is it fanciful to dwell for a moment on what might have happened! The Reform bill which was passed in 1832 would probably have been passed much earlier; for the new blood of America would have burst the old vessels of the Constitution. It would have provided for some self-adjusting system of representation, such as now prevails in the United States, by which increasing population is proportionately represented. And at last, when the Americans became the majority, the seat of Empire would perhaps have been moved solemnly across the Atlantic, and Britain have become the historical shrine and the European outpost of the world empire.

"Our conceptions can scarcely picture the procession across the Atlantic, the greatest sovereign in the greatest fleet in the universe, Ministers, Government, Parliament departing solemnly for the other hemisphere. . . ."

There is the idea. Among all of the might-have-beens there is none quite like it—once the seed of it has been sown in your mind.

Fifteen years before the War of Independence began in the Thirteen Colonies, Britain had settled down to, and was about to win, a war against France over Canada: a war in which Spain later mistakenly joined. This war had begun to go well almost as soon as William Pitt became Prime Minister, for William Pitt (the Elder, whose brilliant son, William Pitt the Younger, became Prime Minister at twenty-five) was one of the most remarkable men Britain ever bred. There was a majestic sureness about everything he did. His speeches in the House of Commons were masterful and lucid. He could usually persuade Parliament that he was right, and he usually was right.

But he could do little with George III. Pitt knew that the long-range interests of Britain required an all-out war and an unconditional victory over France: The stakes were high enough to make the cost relatively unimportant, George III had almost no sense of history or geography or destiny. His object was to bring the war to an end as soon as it could be done without loss of face or revenue. Pitt was not the Minister he wanted. Pitt resigned.

In 1763 George III and a more tractable government made peace with France and Spain on terms that Pitt considered—and declared to be—ruinous. Then Pitt, ill and out of office, accepted a peerage and thereafter confined himself to occasional speeches in the House of Lords. He was eloquent, but he had no decisive influence.

The Rosebery dream begins here. You are to suppose that Pitt did not accept the peerage. He never became Earl of Chatham. He stayed in the House of Commons and fought back; and when the revolution in the Thirteen Colonies began he was in a position to make Parliament act upon his warnings, instead of uttering them impotently in the House of Lords. You are to suppose that.

So (in the Rosebery dream) the import duties which Townshend, Pitt's former Chancellor of the Exchequer, imposed on the Colonies with George III's approval in 1767 were killed from the beginning. There was no Boston Tea Party. Instead, new negotiations with the Colonies were begun and Pitt steered through the House of Commons a bill creating seats in the Mother of Parliaments for the elected mem-

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George III *Pitt the Elder*

bers from Massachusetts, New York, Pennsylvania, Virginia, and the rest.

This may be supposed, it seems to me, without undue strain; but we have only begun to suppose.

The arrival in London in 1776 of the first Members of Parliament from America was a considerable event. Mr. Thomas Jefferson, M.P. for Virginia, a young man of Welsh descent, made a memorable maiden speech in which he said that all men were created equal, and were endowed by their Creator with certain inalienable rights, among which were Life, Liberty, and the Pursuit of Happiness. Tory members subsequently attacked this speech as un-British; but Pitt endorsed it.

As Pitt had foreseen from the start, Canada soon was asking for similar representation, and it became necessary to amend the Representation of the North American Colonies Act of 1776 to admit further Members from the large area to the north.

In 1828, however, the Americans launched in the Colonies and in Parliament a campaign which divided Britain into two apparently irreconcilable political factions and caused such bitterness that there seemed at one time to be a real danger of civil war.

The situation was precipitated when Andrew Jackson, the Member of Parliament for South Carolina, made a fiery speech in the House of Commons pointing out that under the present distribution of Parliamentary seats British members were being elected by as few as a hundred thousand voters, while the Member for New York was spokesman for more than 1.7 million people, the Member for Pennsylvania for over a million, the Member for Massachusetts for nearly six hundred thousand, and so on. Mr. Jackson called for a revolutionary change in the system of representation in Parliament. Amid scenes of wild disorder he introduced his historic bill to redistribute constituencies so that in all parts of the British Empire one Member of Parliament would be returned for each quarter million of the population.

This proposal was the subject of acute controversy for a decade. As the American frontier was being pushed farther and farther west new colonies were being founded. Already, in 1828, there were twenty-eight colonies, sending Members to Parliament, instead of the original thirteen. Englishmen saw clearly that natural growth aided by successive waves of immigrants who were now settling in North America would soon increase the American population to the point where it would pass the population of the British Isles.

English conservatives regarded this prospect with an alarm they made no effort to conceal. There were many among them who had never been reconciled to some of the more vigorous methods and modes of speech the American members had introduced into the House of Commons. Frequent complaints that the Americans were employing un-Parliamentary language in their speeches came from the Tory benches; and there had been particular rancor in the same quarter over the use by the American minority of a device that came to be known as the Filibuster —a device whereby Members from the Colonies, making adroit use of the Standing Orders of the House, contrived to prevent a vote.

The English Tories angrily denounced this procedure as lacking in sportsmanship. Now, faced with the threat that this American minority would become the majority, able to secure passage in Parliament of any legislation that it wanted, many an English Tory felt that the dissolution of his world was at hand.

But not all. It presently became clear that Mr. Jackson's bill was creating a deep rift in both of the English parties. There were Tories who, impelled by conscience and an ineradicable sense of justice, took their stand in favor of the bill. There were Liberals who welcomed it as (in the phrase of the times) a fulfillment of the destiny of the British people. Now that this proposition had been propounded, it was seen that the only alternative to it would be the breaking away from the British Empire of the American Colonies.

The most farseeing statesmen, in England and in America alike, warned of the consequences of such a break. If it were to occur, they said, the world might lose the opportunity now presented to it of many centuries of peace, based upon the industrial, naval, and military supremacy of the democratic English-speaking peoples.

Little by little, year by year, the opposition to the Jackson bill began to subside. Two general elections were fought on the issue. From the second, the Liberal-Conservative coalition which had thrown its support behind the measure in England was returned with a mandate to support the bill. In 1850 it became law.

Thomas Jefferson, M.P.

And now the march of events took on a massive inevitability.

In 1850 the population of the American colonies, spread over the continent from the Atlantic to the Pacific, was 23,191,876. The population of Britain was 27,368,736.

On June 30, 1859, the census figures showed that the lines had met and crossed. The population of Britain was 28,527,485. The population of the American Colonies was 29,443,321.

When Parliament met in London after the elections which returned the additional American members, most people in Britain were aware that a momentous new chapter in British history was being written. But nobody

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Andrew Jackson, M.P.

was quite prepared for what in fact happened in the House of Commons as, for the first time, the American majority formed the Government.

The Americans had chosen as the Prime Minister Mr. Abraham Lincoln, one of the Members for Illinois. He was a tall, dark man, a luminous personality with a faculty for simple, lucid speech. On the day when Queen Victoria opened the new Parliament Mr. Lincoln rose in the Government Front Bench and announced that legislation would be introduced immediately to transfer the seat of government from Britain to America.

Mr. Lincoln was assailed and vilified by many of the British newspapers. Feeling ran so high in London during the weeks that followed the sensational announcement of the new Government's intention that Number 10 Downing Street, the traditional residence of Prime Ministers, where Mr. Lincoln now lived, was placed under heavy police guard. And then, suddenly, the situation changed.

One of the few British members who had risen in the House to announce his willingness to abide by the decision of Mr. Lincoln's government was Mr. W. E. Gladstone. He was a Liberal of the stately old school, who had been Chancellor of the Exchequer in the Government of Lord Palmerston—the last of the English Governments. On a memorable night in April, 1860, it became known that the Queen had summoned Mr. Gladstone to Buckingham Palace on a matter of importance. The Queen, having ascended the throne as a young girl, was now forty, and she had been married to Albert, the Prince Consort, for twenty years. She held a unique place in the hearts of the British people, and many of the American Members of Parliament had, in spite of themselves, been charmed by her.

On the day after his visit to the Palace, Mr. Gladstone begged leave of the House to make a statement of special interest: and what he said then was of a historical importance second only to what Mr. Lincoln had said a few weeks earlier. Mr. Gladstone announced that Her Majesty had been graciously pleased to indicate to him that she and the Prince Consort were making plans in anticipation of the Government's action to move the Court from London to Philadelphia—the city that had become the center of the colonial governments in America.

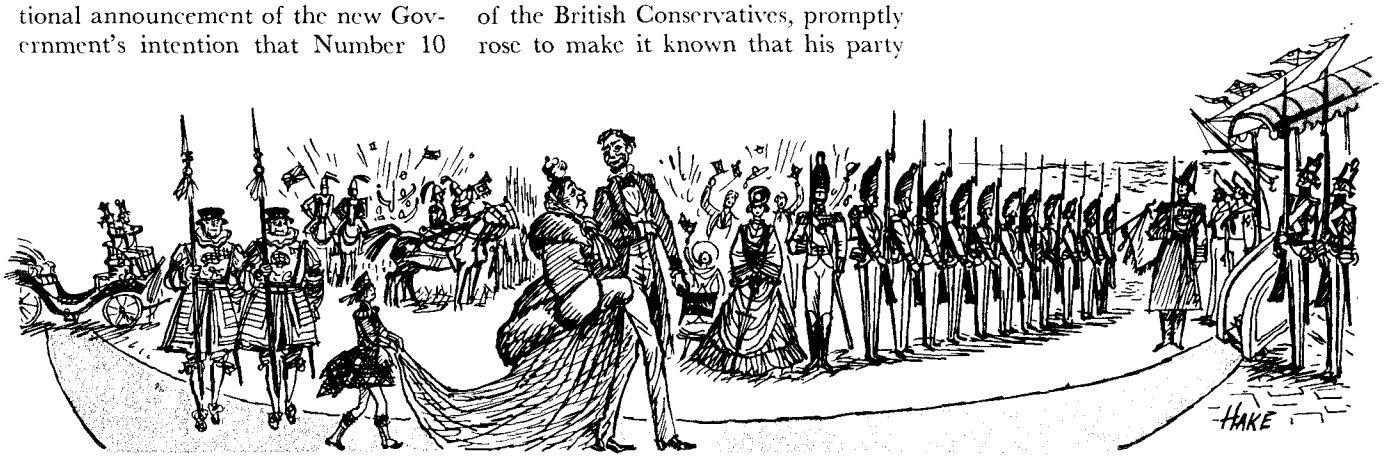
When Mr. Gladstone sat down, amid cheers that shook the House to its very foundations, Mr. Disraeli, the leader of the British Conservatives, promptly rose to make it known that his party desired freely to withdraw its previous opposition to Mr. Lincoln's project.

Guns boomed, bands played, flags fluttered, and a host of people waved from the shore at Tilbury as the splendid armada of warships and merchant vessels raised anchor and moved out of the mouth of the Thames to begin the unforgettable crossing of the ocean to

The Prime Minister, 1860

the New World. The Queen, who had gone aboard the leading ship on the arm of Mr. Lincoln, had given an unprecedented press interview before departure. In it she had indicated that her only misgiving in making this historic journey was her uncertainty about the sea. She was not a very good sailor.

—Robert Waithman



Queen Victoria boards ship for America

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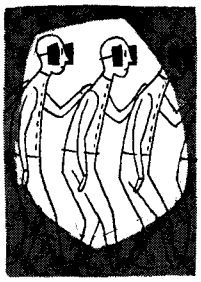
Books

The Horrors of Utopia

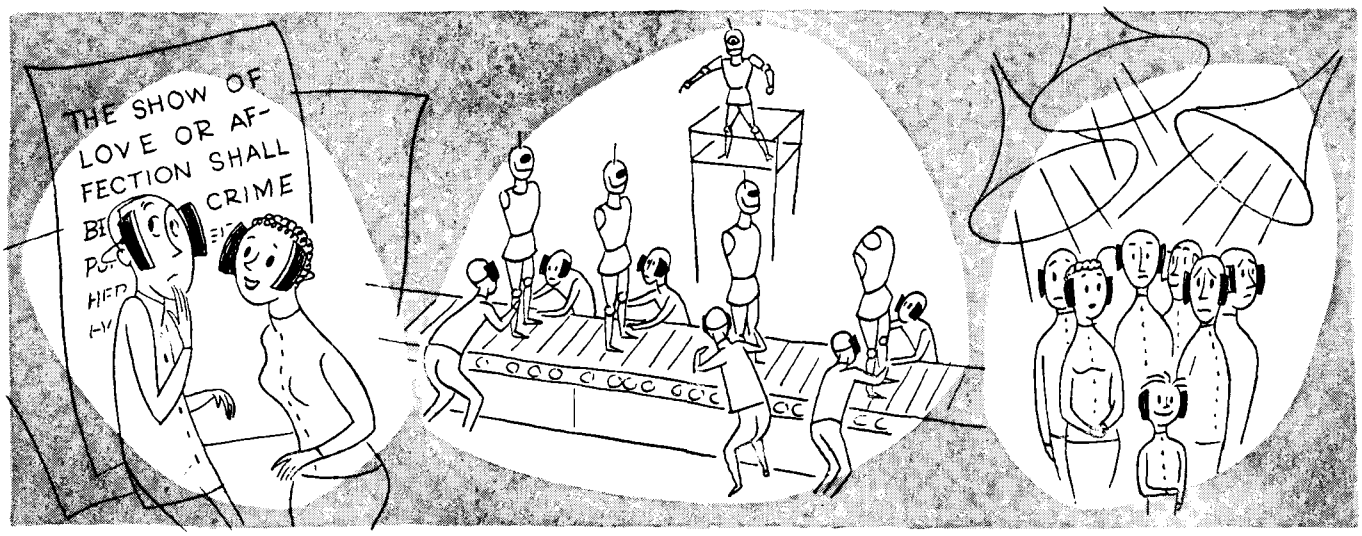


George Orwell's new novel, *Nineteen Eighty-Four*, has won general admiration as a commentary, profound and terrible, on our totalitarian future. It portrays an age in which the tendencies of our own time in politics and technology have grown to an awful maturity. The result is not the glittering, aseptic world ruled by H. G. Wells's airmen, nor the chromium-plated nightmare of Aldous Huxley. Orwell's "Oceania" is a seedy utopia, marked by dirt and decay, unwashed dishes and unmade beds, the houses falling to pieces, the food gray and dingy, the gin undrinkable; it is a world in which life is unimaginably monotonous and death unimaginably terrible. Yet in this appalling future we can see an image of our own age, the image horribly distorted but nonetheless recognizable.

The television set, for example, has been subtly developed into the two-way telescreen, which no one can shut off and through which the Thought Police may peer into the household of every member of the ruling party. The hatred of nonconformist ideas has produced by 1984 the devastating conception of "crimethink"; and the reduction of English to "Newspeak" promises soon to make heretical thoughts impossible by purging the language of the terms in which they might be expressed. In the meantime, the technique of "doublethink" enables party members to hold two contradictory beliefs simultaneously, thus allowing them to understand that the state is right even when they know it is wrong.

Love, by projecting uncontrollable emotions into a controlled situation, represents one great threat to the totalitarian order. So indoctrination, anaphrodisiacs, and, finally, terror are used to obliterate the spontaneity of sex and the solidarity of family. Memory is another great obstacle to total domination by the state—memory of past facts that would not be compatible with present policies, memory of another life in which people were happy and parents told nonsense jingles to children. As a consequence, history must be systematically annihilated; memory, so to speak, is extinguished. It is the job of Mr. Orwell's hero to help rewrite the only existing file of the London *Times*. (All other copies are called in and destroyed soon after publication.) Those who doubt the infallibility of the régime thus have no facts with which to sustain their doubt, and in the shifting confusions they discern no other certainty than Big Brother and his omnipotent state. The ultimate crime of Orwell's hero is that he believes, not in Big Brother, but in love and in history.

The American public has accepted this, in general, as a commentary on the Soviet Union. It is certainly true that totalitarianism has never been so complete and implacable as it is today in the U.S.S.R. The Communists rewrite history almost as ruthlessly as the rulers of Orwell's Oceania; they have long been specialists at "doublethink" and, judging by the increasing standardization of their rhetoric, are well on their way toward "Newspeak." Yet, if one is to see only the U.S.S.R. in Oceania, one may perhaps miss a great part of the point of the book. The tendencies that horrify Orwell are inside *our*



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society as well as in others. Indeed, certain aspects of Oceania jogged levers of memory; I found myself reaching into the bookcase for a copy of *Walden Two,* written by B. F. Skinner.

Walden Two was published last year. It is a not unpleasant, if slightly awkward, tale of a utopia. The community has been set up in postwar America by an ex-graduate student in psychology named Frazier who believes that "the psychological problems of group living" can be solved by what he calls "behavioral engineering." Frazier's achievement, the author observes, is to transform the existing techniques and "engineering practices" of applied psychology into a "behavioral technology" that can "shape the behavior of the members of a group so that they will function smoothly for the benefit of all."

The special significance of *Walden Two* lies in the fact that it was written by Burrhus Frederic Skinner, one of the most brilliant of the younger experimental psychologists, the author of many learned articles on the conditioning of behavior, and the winner in 1942 of the Howard Crosby Warren Medal for distinguished contributions to psychology. *Walden Two,* in other words, expresses the most advanced thinking of our academic psychologists. Indeed, Professor Skinner has made the narrator a professor of psychology and given him the name Burris, an apparent adaptation of his own first name, and brings his story to a climax by having Professor Burris come to accept psychologist Frazier's principles and join *Walden Two.*

Yet what are the consequences of these principles? On the surface we see the familiar and somewhat dubious detail of utopian life: the folk dancing, the arts and crafts, even the absence of liquor. (As Frazier explains: "We gratify the needs which are responsible for the habit in the world at large".) Behind the progressive-school façade, however, Skinner's Walden bears a striking resemblance to Orwell's anticipations of 1984. Sex, for example, is now under stern control. The young people, Frazier brags, have "never found sex amusing or secretly exciting"; married adults are encouraged to sleep in separate rooms. The family structure is methodically destroyed: parents consign their children to a communal nursery, and are permitted to show their own children no more affection than they do the other children of the community. By a complex and sadistic set of controlled exercises, the children are taught at an early age to accept discipline and frustration.

The community of Walden Two, like Oceania, has abolished politics. "Most of the people in Walden Two take no active part in running the government," Frazier observes, adding, with the unction of an Intourist guide: "And they don't want an active part." After all, they are hardly fit to govern themselves. "When we've once acquired a behavioral technology, we can't leave the control of behavior to the unskilled."

The farther one reads in *Walden Two,* the more it resembles a propaganda pamphlet which Minitrue—Oceania's Ministry of Truth—might have issued in order to convince the inhabitants (with the aid of "doublethink") that they were living in the best of all possible worlds.

The fact that sticks out in *Walden Two,* even in Skinner's official account, is the obsession with power—the recurrent references to the "we" who are in control. "Experimentation with life," cries Frazier, "could anything be more fascinating?" The answer, one might suggest, lies in whether one is experimenting or being experimented upon. Lenin's old question is still fundamental: "Who whom? That is to say, which class controls, and which class is controlled?" In a passage which anyone but the bemused Professor Burris would regard as paranoiac, Frazier proposes to reshape human motivations and redesign human personalities. "Give me the specifications, and I'll give you the man!" Like the Grand Inquisitor, Frazier believes he is doing mankind a favor by relieving it of the burden of freedom. But the confusion of self with God keeps breaking in. Watching his colony from a high ledge through a telescope, Frazier observes, "Not a sparrow falleth . . ." and a moment later, while generously allowing God a certain credit for His accomplishments, he points out, "I made a more explicit statement of my plan."

Could Professor Skinner have intended this whole thing as a hoax—as a savagely ironical attempt to show the

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madness to which the delusions of a "science of behavior" would drive a scientist? With reluctance, one must conclude that no hoax was intended. For *Walden Two* represents the new intellectual crusade in our universities today—a crusade mounted in the psychological "laboratories," endorsed by the college administrations, and enthusiastically and fatuously supported by the foundations. The prophets of this social alchemy really believe, first, that "social science" will soon lead to the manipulation of man as effectively as natural science has led to the manipulation of matter; and, second, that if such a science could be developed, it would be used by men to produce a heaven on earth and not a hell.

The first point is surely a delusion, if an innocent one. But the second reveals a catastrophic ignorance of the nature of man. An earlier American novelist of utopia had a more exact understanding of human nature. "They have an idol," wrote Hawthorne, in *The Blithedale Romance*, of the Fraziers of his day, "to which they consecrate themselves high-priest, and deem it holy work to offer sacrifices of whatever is most precious; and never once seem to suspect—so cunning has the Devil been with them—that this false deity . . . is but a spectrum of the very priest himself, projected upon the surrounding darkness. And the higher and purer the original object, and the more unselfishly it may have been taken up, the slighter is the probability that they can be led to recognize the process by which godlike benevolence has been debased into all-devouring egotism."

Our experimental psychologists may not regard as important the process by which lust for power transforms godlike benevolence into all-devouring egotism. But that clearly is their monstrous fallacy. For the eternal question of politics remains: Who whom?—just as the eternal question of morals remains the effect of power and pride on master and on slave. It is George Orwell's understanding of these questions that makes *Nineteen Eighty-Four* a profound warning, not only against Soviet totalitarianism, but equally against the world that our social psychologists in their delusions of intellectual grandeur think they are designing for us.

—Arthur Schlesinger, Jr.

Contributions

The Reader Reports

The articles appearing on this page were contributed by readers in response to the theme question:

Should the TVA experiment be repeated in other regions of the U. S.?

Water!

After having lived in Tennessee for ten years and watched the TVA in action, I feel that it has demonstrated that it is possible not only to harness a wild and unruly river, but also to furnish the leadership, skill, encouragement, and education necessary to assist the people to build for themselves a richer life. The genius of the TVA does not so much lie in harnessing a river system so as to protect people and property against the constant recurrence of floods, nor in the generation of enormous quantities of electrical energy. The real genius of the TVA lies in the evolution of organization and means to channel the huge resources of the Federal government into a region, there to work largely through coordination of existing local, state and Federal agencies and groups, so as to bring to bear the full weight of all those resources on the problems of the people.

In the process of so doing, the TVA proved that available resources could be used in the solution of problems which affected a whole region without destroying or distorting the fundamental principles of democratic action and local participation. We now know that a relatively small investment on the part of the Federal government can be transmuted by a new governmental device, working through the people, to produce better life and living, and that the beneficial results reach far beyond the immediate region.

The TVA is a living example of a governmental agency which can achieve as high an efficiency as can a private agency. It has proved that it is possible to keep logrolling politics out of public business. It has proved that the TVA approach to regional problems does not kill private enterprise, for private enterprise in the Tennessee Valley has grown, and is healthier than it was before the program was undertaken. It has also demonstrated that our problems today are so interdependent, whether they be social or economic, that some means must be employed to harmonize and rationalize action of the many and various "pressure groups" and "special-interest groups" in order that society as a whole may move forward.

The fundamental idea of the TVA can be used in any region, though the specific application may be different. Let's have more organizations like it. We can then deal more effectively with our regional problems. As a Californian may I mention one: Water!

—S. E. Torsten Lund

The Fear of Flood

Eddyville is one of Iowa's oldest towns. Its first settlers arrived by boat; Ezra Meeker loaded his wagons there to head for Oregon. The Des Moines River flooded the town about that time, and a local merchant, noting the high-water mark, placed the floor of his new building twelve inches above it.

Two years ago this summer, the river rose again. Several feet of water flowed through that building and most of the other shops and homes in the village. It was not clean water. It was full of barnyard debris and dying vegetation. The odor was nauseating. And when it slowly fell below the window sills at last, it left up to a foot of fine topsoil over everything.

Virtually none of Eddyville's losses was covered by insurance. Experience has shown that the risk of flood dam-

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age cannot be widely shared the way men share the risk of fire, theft, and tornado. Although Eddyville had feared the river for a century, its people were grossly unprepared for the 1947 deluge.

The Red Cross fed, clothed, and housed most of Eddyville's people in the dismal summer of 1947. Floods are the third most numerous disasters in which its help is needed. But the Red Cross cannot restore the lives of people or cattle. It cannot replace the chemicals (which make all floods stink) in the fields where they are needed. Nor can the Red Cross cart back from the ocean's floor the millions of tons of essential dirt that floods are washing out of the foundation of America's prosperity.

The estimates of flood damage that you find in the newspapers are the crudest grade of guesses. They might be higher if the reporters, who race through flooded communities almost as swiftly as the water, were to linger and note the millions of man-hours required to clean up after a flood. And they would be still higher if the effects of floods on future production could be foreseen with dollar signs in front of them.

In the Des Moines River valley, and many other green valleys of America, men know what should be done. The U. S. Army engineers, other Federal agencies, and state and local bodies have amassed data galore. But too much of it is moldering in steel cabinets while floods roll on—because of political difficulties.

More political experiments such as the TVA represents might bring about more action. —VOLTA TORREY

Danger: High Voltage

The TVA received its start as Muscle Shoals, a military measure of the First World War; secondly, during the 1930's it developed further because of the dust bowls and mass unemployment in this country. TVA, the gigantic installation we know today, is a child of the times.

But what exactly does the TVA stand for today? Mainly it is the problem of public (Federal) versus private utilities. Congress has never given the Federal government the right to engage in the power business directly. The government now wants that power, and it is using the TVA as a club with which to beat private utilities.

To my mind, there is only one logical reason for the Federal government to engage in generating electricity: to harness multi-purpose, navigation, and flood-control dams while reclaiming unfit lands. Even in this capacity the government's role should be severely limited—limited because the government has doubled its hydroelectric plants since the First World War; this, plus the plants they are building, will increase government power from five per cent in 1940 to more than twenty per cent today. If this expansion continues the danger of a nationalized-power era is not remote.

And what of nationalized power? As the private electrical companies point out, tax exemption is the biggest factor in the government's supposedly-low rates. Taxes alone boost private rates above government rates, but this even goes further: The government, to obtain revenues to carry on its business, must then shift the burden to other taxpayers. Also the idea of cheap power is a myth, because public power is not cheap; it is subsidized.

The greatest indictment against Federal power was not drawn up by the private utilities, but by the Hoover Commission. It found out, apart from tax subsidies (which are a discrimination against private utilities) that very few Federal power plants are even covering costs.

I believe TVA experiments should not be repeated in other areas of the nation. The government should act only as a last resort when private enterprise fails, and then it should be rigidly controlled by the dictates of our economy. —DIRK VAN SLYKE

Criterion: Usefulness

Such projects as the TVA are justified by their very magnitude. No single state or any confederacy of private firms can successfully hope to develop an empire quickly or thoroughly. Such areas as the Columbia Valley require a long-term investment with little prospect of direct financial return. Private investors must be assured of stable revenues and profits from the first day of operation. Already, it has been proven in the Columbia Valley itself, by the Bonneville Dam, that ventures too speculative for private operators can produce great returns in welfare.

Agencies of conservative governments have long supplied roads, waterways, and irrigation to their peoples without acquiring the stigma of Communism or socialism. The objections seem to arise from private power operators, who would preserve their quasi-feudal monopolies, themselves based on government fiat. The Panama Canal failed to achieve completion as a private enterprise, only to be made a reality by the tremendous resources of the United States. Today, it is debated whether that waterway is profitable in dollars and cents or a giant boondoggle, but there can be little question as to its usefulness to the world. So must it be with the TVA *and* the CVA. —D. A. FANNING

Instructions to Reader Contributors

Theme: *What steps should the United States take to help Britain meet its economic crisis?*

1. All contributors should state the question to which the letter is in answer.
2. Letters should not exceed four hundred words.
3. Contributors are asked to print name, address, and occupation.
4. Contributions should be addressed to Reader Contributions, *The Reporter*, 220 East 42 Street, New York 17, New York.
5. Contributions to be printed will be selected by The Editors.
6. Each contributor whose letter is printed will receive a check for $25.00.
7. All contributions, whether printed or not, will become the property of *The Reporter*.
8. All contributions on this issue's question must be postmarked not later than August 9, 1949.

Reader contributors are asked to follow instructions carefully in order to avoid confusion between contributions on the theme-question and regular Letters to the Editor.

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Letters

To The Reporter

Pro Taft-Hartley

To the Editor:—As an open-minded (if not actually unbiased) reader of your magazine, I want to register a protest against the article in your July 5 issue which purports to present an exhaustive discussion of the merits, demerits, and effects of the Taft-Hartley legislation.

The statement that this Act attempted to combine incompatible elements, namely collective bargaining, limitation of union organization, and government regulation, seems to me a misrepresentation, while the illustrations accompanying the article not only confuse the issues with personalities but do injustice to Senator Taft, one of our most conscientious legislators, by lampooning him as a charlatan of the stage-magician caliber. What you refer to as "government regulation" was an attempt at government limitation of abuses, and what you refer to as "prevention of the spread of unions" was an attempt to eliminate the element of *coercion* in the organization of labor unions. One can agree (with Senator Taft) that a revision of the much-maligned Act is in order, without resorting to such distortions of fact.

I was also disappointed to find in your article no mention of the problem of jurisdictional strikes—a limitation of organizing activity, which, it has been generally agreed, I believe, has been of great benefit to the public without damaging the true interests of either labor or management.

Can it be honestly said that the protection of the individual citizen, of whatever calling, from damage sustained through the coercive action of pressure groups is not a legitimate function of democratic government, or that it is incompatible with either collective bargaining or union organization?

JOHN P. CONE
New York City

Costly Suicide

To the Editor:—In your May 24 issue you say: ". . . If our course remains firm we can, with great vigilance but with much less apprehension, let them [the Communists] run their own course. For all world empires and, above all, all dictatorships ultimately die by suicide. The normal form of suicide is overextension."

I suggest that this is Maginot thinking. I suggest that you take a look at the record of German morale, long after Germany was fighting alone against the world; I suggest you examine the German record of industrial production in the midst of our heaviest strategic bombing; I suggest you think on what almost happened in The Bulge; I suggest, above all, that you think again on modern weapons and on how costly it was for the entire world for the Hitler régime to accomplish a simple act of suicide.

MALCOLM WOOD
Berkeley, California

Joseph's Military Coat

To the Editor:—"Franco: A Dependable Ally?" has been chawed and digested. It deals with irrelevancies. The author seems surprised that the three dictators, Hitler, Mussolini, and Franco, were horse-trading politicians and brings in a wealth of evidence to belabor this obvious point.

What, isn't a Fascist a Fascist? Don't they love each other, cooperate with each other, fall or rise with each other?

The ideological simplifications of the types of Fascism made during the war for the benefit of dullards was an effective, although ridiculous, distortion of the truth: It is easier to hate Fascism rather than three very highly diverse types.

Spain and Italy had one thing in common in their coy juggling act with Hitler. They were poor countries, militarily ineffective and a hindrance to the competent Germans, regardless of any action they might have taken. They were poor relations, who, to pick up a few scraps of prospective loot (and keep from being invaded themselves), had perpetually to be proving their good intentions.

Once again, for the record, I'd like to state that Spanish Fascism was not identical to Italian Fascism, as Italian Fascism was not identical to German Fascism. Their alliance was an improvisation compounded of mutual fears and hatreds.

Wait until Joseph (Stalin) tries to assemble his coat of many colors militarily. We shall then see that there is no such thing as a unified "cooperative" ideology within the individual state structure. There are merely marriages of convenience which might end in divorce by the dawn's early light.

JOSEPH A. BABANDO
Los Angeles, California

Academic Question

To the Editor:—I noticed that one of your West Coast readers remarked that he "can hear the professor talking" in *The Reporter*. Well, that's all right with me. Considering the mixed-up state of the world, a few seminar lectures may clear away a little of the fog which makes it so difficult to see the bits of modest truths amid all the dust of controversy.

EARL FORNELL
New York City

Dear Reader:

Only the most impossibly generous people would dare proclaim—with any hope of being believed—that it is always a pleasure to be told of their failings. The charge, sometimes made, that *The Reporter* is not sufficiently "topical" is a reproach that does not disturb us greatly. *The Reporter* does not get out of breath competing with newspaper headlines, and is not content with rewriting them. This time, however, that charge cannot be made. Our study of Britain's difficulties coincides with the moment of Britain's crisis.

We asked Graham Hutton, for many years on the staff of the London *Economist*, and author of *Midwest at Noon*, to present the British point of view; the contradictory and shifting attitude of an America inescapably linked to Britain's problems has been investigated and described by *The Reporter's* staff.

The Editors

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